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# Cooperation between the United Nations and all relevant partners, in particular the private sector

## Report of the Secretary-General

Contents


| | | Paragraphs | Page |
|---|---|---|---|
| I. | Introduction | 1–6 | 3 |
| II. | Views on cooperation with the private sector | 7–39 | 8 |
| | A. Views of Member States | 8–14 | 8 |
| | B. Other views | 15–38 | 10 |
| | C. Summary of views | 39 | 17 |
| III. | Different types of cooperation with the private sector | 40–83 | 18 |
| | A. Policy dialogue | 48–65 | 19 |
| | B. Advocacy | 66–68 | 25 |
| | C. Mobilizing private funds | 69–75 | 25 |
| | D. Information and learning | 76–80 | 31 |
| | E. Operational delivery | 81–83 | 32 |
| IV. | The Global Compact | 84–89 | 32 |
| V. | Managing cooperation with the private sector | 90–105 | 35 |
| | A. Guidelines and modalities | 91–92 | 35 |
| | B. Management structures and capacities | 93–97 | 36 |
| | C. Involving the private sector from developing countries | 98–105 | 37 |


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VI. Implementing the Millennium Declaration through cooperation ..... 106–112 39
VII. Conclusions and recommendations ..... 113–123 42
Annexes
I. Defining the private sector ..... 45
II. Examples of cooperation between the United Nations and all relevant partners, in particular the private sector ..... 47
A. Global public policy networks ..... 47
B. Voluntary standard initiatives on sustainable development ..... 48
C. Advocacy and fund-raising partnerships ..... 49
D. Partnerships to facilitate private investment ..... 50
E. Global knowledge and learning networks ..... 51
F. Operational delivery partnerships ..... 52
G. Country-level cooperation ..... 53
H. Building partnership capacity in developing countries ..... 54
I. Partnerships to address global health issues ..... 55
J. Partnerships to address global environmental issues ..... 57
III. Guidelines for cooperation between the United Nations and the business community ..... 59

# I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 55/215 of 21 December 2000, in which the Assembly requested the Secretary-General to seek the views of all Member States on ways and means to enhance cooperation between the United Nations and all relevant partners, in particular the private sector; invited the Secretary-General also to seek the views of relevant partners, in particular the private sector, on how to enhance their cooperation with the United Nations; and requested the Secretary-General to submit a comprehensive report on this matter, containing a compilation of views of Member States, views of other relevant partners, and his recommendations in that regard, for consideration by the Assembly at its fifty-sixth session.

2. The Secretariat contacted all Member States of the United Nations and observers and 31 United Nations entities. Comments were received from 23 Member States (Brazil, China, Cuba, Israel, Japan, Pakistan, Russian Federation, Sweden (on behalf of the States members of the European Union that are Members of the United Nations) and United States of America) and from one observer, Switzerland. Twenty-seven United Nations entities provided comments and materials and feedback was received on operational cooperation with the private sector from United Nations resident coordinators in nine countries. Representatives of business associations and non-governmental organizations that have been active in building relationships with the United Nations were consulted through a combination of personal interviews and questionnaires. The consultation process was supplemented by a review of existing literature on the lessons, obstacles and benefits of partnership between the United Nations system and non-state actors, especially business, and a comprehensive analysis of existing examples of cooperation.

3. In its resolution 55/215, the General Assembly calls for a particular focus on the private sector. Although many of the emerging forms of cooperation between the United Nations and non-state actors include a combination of the private sector, non-governmental organizations and civil society in general, the main emphasis of the following report is on cooperation with the business community. This does not detract from the important role of non-governmental organizations and other civil society organizations in supporting the goals of the United Nations and many of the issues and examples covered in the report have relevance for those other non-state actors. Their role and contribution has been reviewed in a number of recent documents, including the following:

(a) Report of the Secretary-General on arrangements and practices for the interaction of non-governmental organizations in all activities of the United Nations system (A/53/170);

(b) Report of the Secretary-General on views of Member States, members of the specialized agencies, observers, intergovernmental and non-governmental organizations from all regions on the report of the Secretary-General on arrangements and practices for the interaction of non-governmental organizations in all activities of the United Nations system (A/54/329);

(c) Report of the Secretary-General on cooperation between the United Nations and the Inter-Parliamentary Union (A/55/996);

(d) Report of the Secretary-General on the United Nations Fund for International Partnerships (A/55/763 and Corr.1) and other reports on activities of the Fund (A/53/700/Add.1 and A/54/664/Add.1-3);

(e) Agreed conclusions of the coordination segment of the substantive session of 2001 of the Economic and Social Council and the report of the Secretary-General on the role of the United Nations in promoting development, in particular with respect to access to and transfer of knowledge and technology, especially information and communication technologies, inter alia, through partnerships with relevant stakeholders, including the private sector (E/2001/59).

An informal reference document on the participation of civil society in United Nations conferences and special sessions of the General Assembly during the 1990s, prepared by the Office of the President of the Millennium Assembly, was also consulted (see http://www.conferenceofNGOs.org).

4. Although the number, diversity and influence of civil society organizations and private enterprises has grown markedly over the past 10 years, as profiled in box 1, cooperation with non-state actors is not new. Such actors have been interacting with the United Nations since its founding, with several non-governmental organizations, including representatives of business associations, participating in the San Francisco Conference of 1945. Over the past decade, however, there has been an increase in the scale and impact of those interactions. This reflects in part an increase in the number of non-state actors interacting with the United Nations in traditional ways, such as through consultative status with governing bodies, procurement contracts and philanthropic-based fund-raising activities. Figure 2 illustrates the growth in the number of non-governmental organizations, including business associations, that are in consultative status with the Economic and Social Council or are associated with the Department of Public Information. The increase in interaction with non-state actors also reflects the emergence of new types of cooperation. These range from global, multi-stakeholder initiatives such as the Global Environment Facility, the Global Compact, the Global Alliance for Vaccines and Immunization, the multi-stakeholder dialogue process of the Commission on Sustainable Development and the newly constituted Information and Communication Technology (ICT) Task Force to numerous operational partnerships in individual countries and communities.

Box 1

**The growth in civil society and private enterprise**

- The United Nations Development Programme's *Human Development Report 2000* estimated that one person in five participated in some sort of civil society organization. People are participating in national poverty hearings, peasants' associations, indigenous peoples' associations and truth and reconciliation commissions in post-conflict situations, and, at the local level, in tenants' associations, school boards, water users' associations and community planning. They are also demanding more transparency and accountability from Governments and large companies.

- The *Human Development Report 2000* also pointed to the flourishing of global non-governmental organizations and their networks — rising in number from 23,600 in 1991 to 44,000 in 1999. Some of those non-governmental organizations have extensive global outreach, with thousands of direct members in different countries. Others have used the power of the Internet to mobilize individuals and organizations to support a particular cause and to influence government and intergovernmental action. Examples include the Nobel Prize-winning International Campaign to Ban Landmines, the Jubilee 2000 initiative on debt relief, civil society support for the International Criminal Court and citizens against the Multilateral Agreement on Investment.

- The United Nations Conference on Trade and Development estimates that there are now over 60,000 transnational corporations, compared with 37,000 in 1990. These transnational corporations have around 800,000 foreign affiliates, compared with some 170,000 foreign affiliates in 1990, and millions of suppliers and distributors operating along their value chains.

- Foreign direct investment to developing countries increased from $43.97 billion in 1991 to $240.17 billion in 2000; during the same period of time, official flows declined from $56.68 billion to $53.06 billion (see figure 1).

- Foreign exchange flows have soared to more than $1.5 trillion daily, up from $13 billion in 1973.

- At the other end of the economic spectrum there are millions of small and micro-enterprises operating in both the formal and informal economies, which play a critical role in creating local jobs and wealth. It is difficult to provide statistics on growth in this area. Over the past 10 years there has been a clear increase, however, in government, non-governmental and private sector programmes focused on building an enabling environment for these enterprises and growing recognition in national and international policy-making of their important contribution to development.

*Source*: United Nations Development Programme, United Nations Conference on Trade and Development, Organisation for Economic Cooperation and Development and the World Bank.

Figure 1
**Net long-term resource flows to developing countries (1991-2000)**

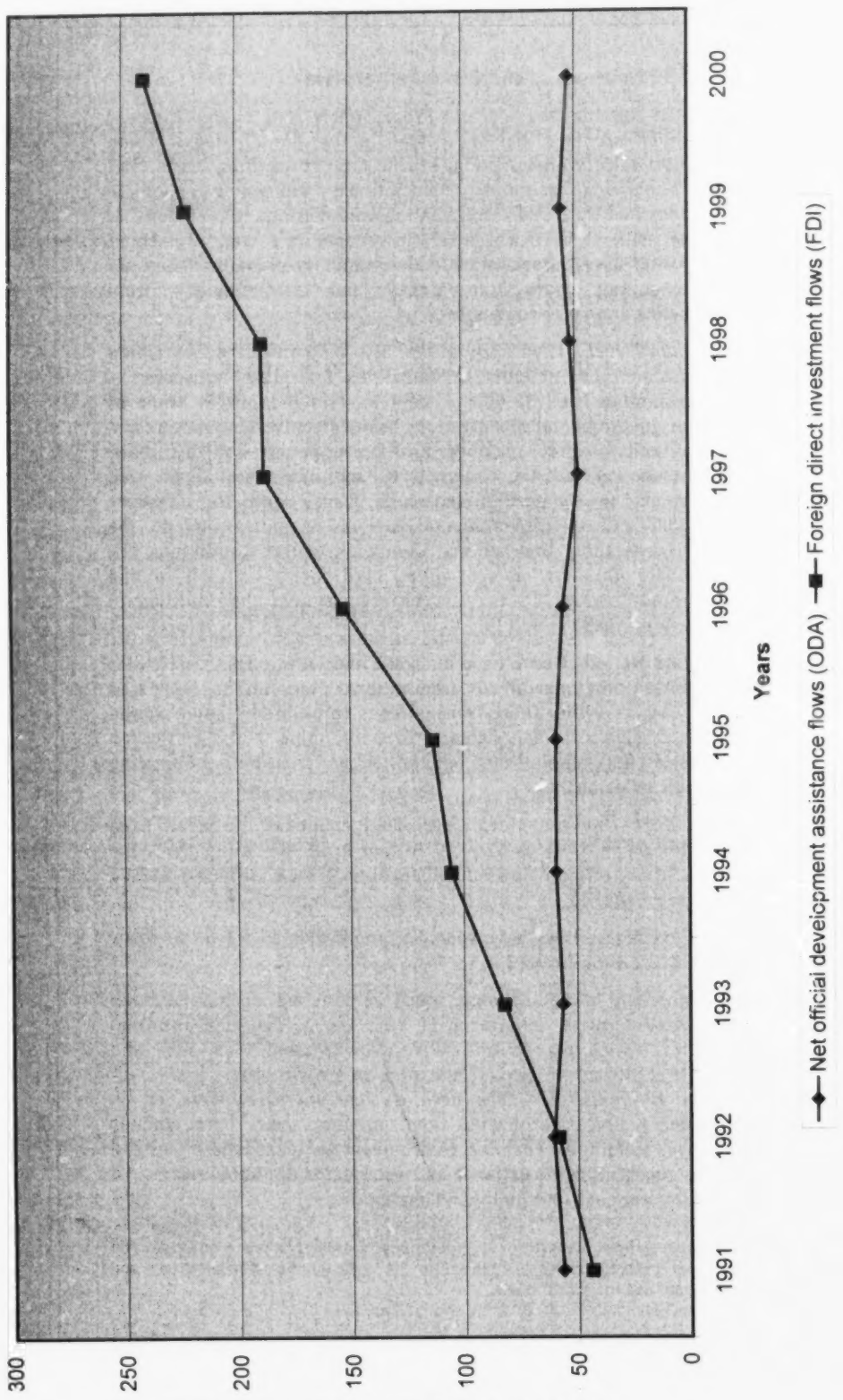
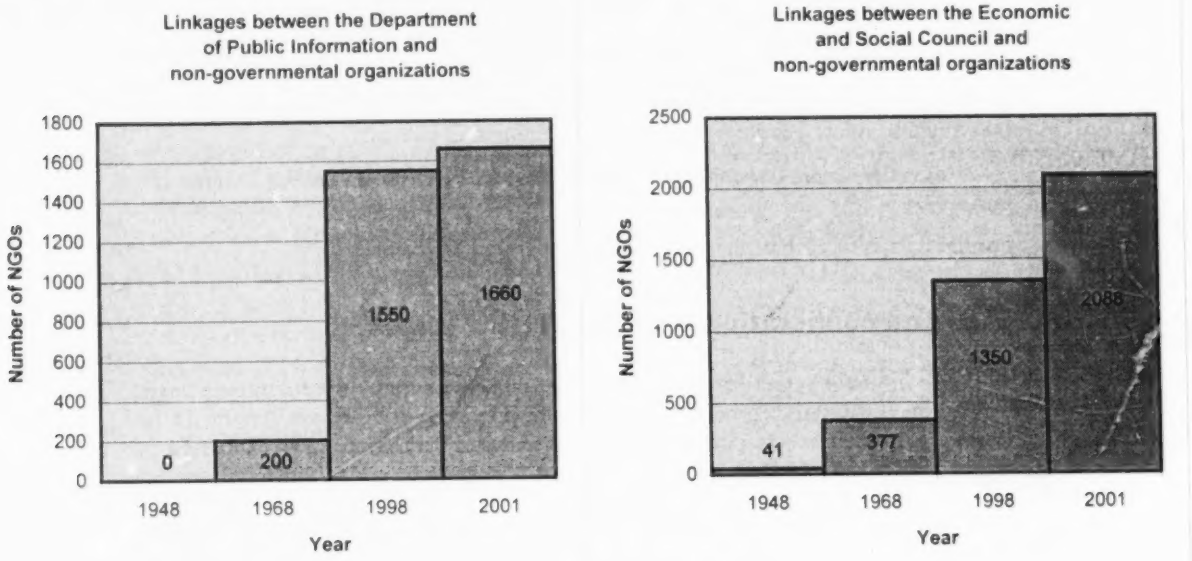


Figure 2
**Linkages with non-governmental organizations**




5. As a result of these two developments — the increase in traditional forms of cooperation and the emergence of new forms of cooperation — non-state actors are now engaged to an unprecedented degree in most areas of United Nations endeavour. This ranges from peacekeeping and disarmament to human rights, good governance, sustainable development and the eradication of poverty. They are also engaged in most United Nations activities, ranging from its policy dialogue, standard-setting and normative work to its operational activities, advocacy and information work. In short, non-state actors have become increasingly influential in the United Nations system, at the global, national and local levels, and they offer a variety of competencies, constituencies, resources and networks that cannot be ignored. Although cooperation with such non-state actors raises its own set of strategic and practical challenges, it is increasingly necessary if the United Nations is to remain relevant and effective in meeting the real needs of people in today's world. At the same time, that cooperation must be managed in a manner that does not compromise the independence and neutrality of the United Nations or its character as an organization of Member States. The ways and means to achieve this are the focus of the following sections, with an emphasis on the private sector.

6. A number of definitional challenges arise when addressing the role of the private sector. There is inconsistency, both within the United Nations system and more widely, on what constitutes the private sector. For the purpose of the present report, the private sector is defined as follows:

(a) *Individual, for-profit, commercial enterprises or businesses*, in both the informal and formal sectors, ranging from small and micro-enterprises, to cooperatives and large national and multinational companies;

(b) *Business associations and coalitions*, both representative membership bodies, such as chambers of commerce, employers' organizations and trade and industry associations, and business-led groups that have been established specifically to promote corporate citizenship and the involvement of companies and individual business people in social and environmental issues;

(c) *Corporate philanthropic foundations*, directly funded and/or governed by business.

Further details of each of these categories are provided in annex I.

## II. Views on cooperation with the private sector

7. The following section summarizes the most common viewpoints expressed during the consultation process undertaken in preparing the present report. Those views are divided into responses from Member States and other views expressed by respondents in the United Nations system and in private sector and civil society organizations. The general message was that cooperation between the United Nations system and the private sector offered potential and had already demonstrated some tangible results, but this was tempered by a variety of strategic and operational challenges. In most cases it was felt that these could be addressed by the United Nations setting clear policies, parameters, objectives and operational guidelines for cooperation with the business community and remaining clear about its overall accountability to Member States.

### A. Views of Member States

8. Several core themes or messages emerged from the responses received from 23 Member States pursuant to General Assembly resolution 55/215. Firstly, there was recognition of the increasing relevance and potential benefits of cooperation with the private sector, in particular in the areas of development and poverty eradication. As one Member State put it:

> "In order to achieve the purpose of the United Nations stipulated in its Charter, in particular, 'solving international problems of an economic, social, cultural, or humanitarian character' and 'promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction', it is critical for the United Nations to deepen cooperation not only among member countries but also between the United Nations and the private sector, which is deeply connected to these issues."

In the words of another:

> "The private sector can play an important role towards furthering development, for development cannot occur without conditions that are amenable to the conduct of business. The United Nations and private sector firms in developing nations should initiate a dialogue to identify countries' needs."

And a third response in supporting resolution 55/215 stated:

> "We must ensure that globalization is a force that will benefit all of us. The private sector must be encouraged to promote the public good."

9. At the same time, several Member States commented on the importance of partnership initiatives with the private sector taking into account intergovernmental processes and not substituting for government contributions. Statements on this point included the following:

> "Partnerships should be recognized as an increasingly important instrument to achieve the objectives of the United Nations bodies, agencies and programmes. It is necessary that these initiatives take into account the intergovernmental nature of the United Nations."

Others made similar statements, for example:

> "Such cooperation should not challenge the intergovernmental nature of the United Nations, in particular its intergovernmental decision-making procedures."

> "The widening of partnership relations of the United Nations with business should be welcomed and promoted to the extent that the cooperation is responsive to the interests of Member States and works to strengthen the authority and increased effectiveness of the United Nations system."

Linked to these statements was the message:

> "If the General Assembly decided to accept the utilization of resources from the private sector, these should be channelled through fiduciary funds, with clearly defined guidelines and objectives. Furthermore, these resources should be a complement to and not a substitute for the resources of the regular budget."

10. Other Member States also raised the need for clear guidelines and frameworks for partnership and some commented on the risks of partnership with the private sector. In the words of one:

> "We acknowledge the positive role such partnerships can play in mobilizing resources, technologies and competencies. However, we also see the risks involved due to fixation of the private sector on market economies and corporate profitability."

Another Member State commented that:

> "It would be useful to adopt general parameters for the implementation of such initiatives in order to direct them adequately. Although micro-management should be avoided, some criteria must be established."

This theme was picked up by another response, which stated:

> "Partnerships should be common undertakings between partners with mutual respect in pursuit of common goals. In developing modalities for these partnerships the United Nations should deal with the private sector in a flexible manner that best serves the purpose of the partnerships."

11. There were also several responses emphasizing that partnerships with the private sector should promote adequate participation from all parts of the world. In

particular, there were calls for involving partners from developing countries and for the participation not only of large companies, but also of medium- and small-sized enterprises.

12. Several Member States referred specifically to the role of the Global Compact and welcomed the Secretary-General's leadership on that initiative. In the words of one response:

> "The Global Compact is a good way to enhance cooperation between the United Nations and the private sector, including by promulgating social corporate responsibilities based on core values established by United Nations processes. The Global Compact also constitutes an important tool to create opportunities for the private sector to engage in concrete partnerships with the United Nations system, in particular for the benefit of developing countries."

13. Finally, there were several messages on the need for efforts to share experiences and learning in this area. As one Member State put it:

> "It is important to intensify interaction between Member States and non-governmental actors that are involved in partnerships with the United Nations so as to promote mutual understanding and consolidate these partnerships. To that end, it would be useful to organize briefings frequently and to designate focal points in the United Nations bodies, agencies and programmes."

14. The responses received from Member States pursuant to General Assembly resolution 55/215 offer a similar message to the agreed conclusions of the coordination segment of the substantive session of 2001of the Economic and Social Council. Those conclusions emphasized the following critical points with respect to partnerships with other stakeholders, including the private sector:

> "The United Nations system is encouraged to continue and further their efforts to ensure that the principles and approaches that govern these partnerships and arrangements should build on the firm foundation of the United Nations development goals. Without imposing any rigidity in partnership agreements, agencies of the United Nations should continue to adhere to a common principled approach to partnership that includes the following principles: common purpose, transparency, bestowing no unfair advantages upon any entity that is in partnership with the United Nations and not compromising the independence and neutrality of the United Nations system in general and the agency in particular."

## B. Other views

15. There were some common themes and messages between the responses from Member States and the responses from within the United Nations system and from private sector and non-governmental organizations. These other respondents cited the potential benefits below for the Organization in cooperating with the private sector.

### 1. Resource mobilization

16. The ability to leverage, pool or mobilize the different competencies, capacities and resources that each sector can provide was the most commonly cited benefit.

Several respondents emphasized the point that money should not be the only, or even most important, resource that the United Nations sought from the private sector. There were comments that when the Organization did receive money, it should not become a substitute for government funding. Most respondents emphasized other resources that the private sector could offer the United Nations, such as management and technical expertise, in-kind donations, technology, ideas, new perspectives and networks. It was felt that leveraging those different resources could lead to a richer and more informed policy debate, enhanced quality of decision-making, joint problem-solving and greater operational efficiency.

### 2. Advocacy

17. A number of respondents commented on the potential for creating greater public awareness and reaching a wider audience by having companies and individual business leaders speaking out in favour of the United Nations, its values, goals and activities.

### 3. Innovation

18. Several people noted that these new types of relationship provided an opportunity to experiment with new approaches to programme delivery, global governance and standard setting in areas such as human rights, environment and labour. Although there was some concern that this could undermine intergovernmental processes, a number of people argued that innovation would enhance both policy-making and operational activities and could lead to further innovations beyond the immediate partnership. One respondent observed:

> "Partnerships create space for individuals and communities of peoples to seek different types of leadership that were not possible in traditional models of organization and governance and which include new ways to express progressive values in addressing societal changes."

### 4. Mutual benefit

19. Several respondents commented on the "win-win" or mutual benefit potential of partnership. In order for cooperation between the United Nations and the private sector to be effective and sustainable, they felt that it needed to result in benefits for business, as well as for the United Nations and for development. Potential benefits to the private sector were found to include both longer-term benefits and more immediate ones. Longer-term benefits included a strong United Nations that promoted international norms and standards, a better enabling environment and stability and peace, all of which were considered to be of increasing importance to global business. The more immediate and direct benefits cited by respondents were new market opportunities; reputation and image enhancement; better risk management; access to development expertise; and better links to Governments. Although statements were made about the importance of companies gaining benefits from their cooperation with the United Nations, the issue of "business benefit" was also raised in a more cautionary sense. As one respondent put it:

> "United Nations partnerships with the private sector have been viewed with suspicion by some elements of civil society, raising fears that promotion of profitability and private benefits will rise in importance at the cost of attention to the promotion of public benefits. While in some cases private and

public benefits go hand in hand, in others they may conflict. In the latter case, partnership should not compromise the independence of the United Nations to stand for and promote the broader public interest."

### 5. Shared learning, increased trust and mutual understanding

20. Respondents commented on the benefits of mutual learning and building "social capital" or trust between the United Nations, the private sector and non-governmental organizations, overcoming, in the words of one person, "stereotypical perceptions and prejudice towards each other". Some respondents saw the current lack of trust and misperceptions as major obstacles to cooperation. As one respondent stated:

> "Although I am comfortable stating that there is real common ground and that we have already several examples of outstanding good practices, partnerships between government, business and non-governmental organizations continue to be marred by mistrust, misinformation and missed opportunity."

A respondent from within the United Nations system commented:

> "There is widespread suspicion by government, other companies, the local community and even within the United Nations itself, that partnership is inappropriate, or constitutes, de facto, the United Nations giving unfair advantage to a corporate partner."

### 6. Defining boundaries and setting expectations

21. A few of the respondents commented on the changing boundaries of the roles and responsibilities of Governments, companies and civil society and the growing need to have an informed debate about those shifting boundaries and each sector's expectations of the others. They felt that the United Nations, given its universality and neutrality, was the ideal organization to provide the "convening framework" or "space" for such a debate to occur.

22. Although there was general agreement that partnerships between the United Nations and the private sector offered potential benefits, a variety of strategic risks and operational challenges were identified with such partnerships. The following section compiles views on the ways and means for addressing some of those risks and challenges and thereby enhancing cooperation.

### 7. Managing risk

23. Almost all respondents, including from the private sector, identified strategic risks associated with cooperation between the United Nations and the business community. The World Bank's Business Partnership and Outreach Group has identified the four risk areas, based on their own experience and consultations with business, government and civil society organizations. Those risks closely reflect the comments made by many respondents and are summarized below.

*Reputation risk*

24. Reputation risk is associated with selecting an inappropriate private sector partner or partnership activity, or being perceived to do so by key stakeholders, and

undermining the credibility and reputation of the United Nations body in question, or the entire United Nations system. As one respondent commented:

> "A key challenge to private sector participation in development and the United Nations system is that of 'moral hazard'. Without in-depth examination or investigation, the United Nations could inadvertently lend credibility and legitimacy to businesses that are involved in practices that are in contradiction to the basic principles and Charter of the Organization."

A private sector respondent commented:

> "Criteria for identifying partners and acceptance by stakeholders — i.e. rules of engagement — are required."

*Conflict of interest risks*

25. This type of risk entails a conflict between a private partner's involvement in "upstream" policy, advisory or project and programme design work and their subsequent intention to be involved in "downstream" work, for example, in the form of commercial consultancy services or the provision of goods and services. The use of partnership agreements that clearly specify parameters, roles and responsibilities, and the use of independent reviewers in certain cases, can help to address this risk.

*Unfair advantage risks*

26. In this case a partnership may confer unfair advantage on a single company by allowing them to use the logo and emblem of the United Nations or its bodies in a manner that implies an endorsement of, or preference for, that company's products or services. It may also result from allowing special advantages, preferences or benefits to accrue to a private sector partner such as exclusive access to information, market advantage or procurement opportunities. To address those risks, partnership agreements are needed that embody the principles of transparency and inclusivity. If a United Nations body is "partnering" with an individual company, for example, this should not impede it from partnering with others in the same industry or competitive sphere as that company.

*Governance risks*

27. These can relate to the governance of a particular partnership, which may be structured in a way that fails to deliver the desired outcomes for all the partners or does so with prohibitively high transaction costs. Equally, the governance structure of a cooperative initiative may not be representative of existing or potential participants or may create a power imbalance between participants. There is also the risk that a partnership governance structure may not be accountable to the key stakeholders involved in, or affected by the initiative, thereby undermining its overall credibility and acceptance and affecting the future convening power of the United Nations body in question. The challenges of representation and accountability were raised by a number of respondents, although several acknowledged the practical difficulties associated with addressing those issues, especially in complex, global partnerships. As one respondent commented:

> "Effective partnership requires a shared process of design and decision-making, but this takes time and has high transaction costs."

28. Governance risks were also viewed more broadly. Some respondents commented that partnerships might result in the private sector gaining undue influence in the broader policy- and decision-making structures of the United Nations body in question and either coopt or undermine public purpose for private gain. Linked to this, the appropriate balance between regulatory and voluntary approaches to governing international corporate activities, and the role of the United Nations in this process, is an area of debate. Some non-governmental organizations expressed concerns that voluntary, partnership-based approaches undermined the potential for an international regulatory framework. Other non-governmental organizations and business respondents felt that multi-stakeholder voluntary initiatives represented genuine progress in influencing corporate activities and commented that a combination of voluntary and regulatory approaches was needed.

29. Respondents felt that these different types of risk need to be acknowledged and managed through a process of robust guidelines, procedures and modalities for cooperation and, where relevant, through multi-stakeholder dialogue and/or independent review and evaluation.

### 8. Dealing with difference

30. Respondents commented that, by their very nature, partnerships between the United Nations and the private sector brought together actors with different interests and incentives, offering different types and levels of resources and competencies and looking for different outcomes and benefits. Those differences were not necessarily obstacles to reaching agreement on common goals and objectives. As one respondent pointed out:

> "It is the differences that actually add value to the process of joint problem-solving." The differences did, however, need to be acknowledged and managed. This was necessary not only to minimize the strategic risks identified above, but also to ensure that a partnership was effective in an operational sense. Several people commented on the need to undertake consultations and to spend time at the outset of a cooperative initiative, despite the transaction costs incurred, in order to understand the different organizational motives, time frames, objectives, styles, cultures, languages and stakeholders of each partner. Agreeing on a mechanism for communication and dispute resolution was also considered to be important. Disparate time frames and the length of time that it took to achieve consensus and to implement joint activities, given the different accountability structures of the United Nations and the private sector, were particular challenges cited by a number of people.

### 9. Managing expectations

31. This was raised as both a specific and more general issue. Specifically in terms of individual partnerships, respondents stated a need to manage internal expectations among the partners themselves and external expectations of other stakeholders. Internally, one of the greatest challenges cited was the need to be clear about each partner's roles and responsibilities, and linked to that their core competencies and constraints. Both United Nations and private sector respondents raised the example of constraints faced by business partners in an economic downturn and how such constraints had affected the pace and scope of intended partnerships, requiring adaptation and revised expectations. In terms of managing external expectations,

respondents from all sectors commented on the fact that the rhetoric on partnership too often outstripped the reality of implementation, which was often more complex and demanding than signing an initial cooperation agreement. As one respondent commented:

> "A new generation of 'top-down' global partnerships seems to be emanating from the United Nations. There is little evidence or public debate about how the United Nations and its private sector partners intend to operationalize some of the visions and principles espoused."

The need to manage expectations is therefore critical, both within a partnership and in terms of communicating to, and consulting with, external stakeholders.

32. Some business respondents commented on expectations in more general terms. They felt that in certain cases too much was being expected of the private sector in terms of its engagement in public policy debate and the provision of public goods. They felt it was important that business should not be seen as a substitute for Government, especially in poorer countries or remote regions with weak governance structures and inadequate infrastructure. Although coming at the issue from different perspectives, there was some convergence between business respondents and Member States on the need for Governments to maintain the lead role in international policy-making and development cooperation, with input from the private sector and civil society. Private sector respondents made the point that the greatest contribution the business community could make to development and poverty eradication was through responsible investment, which aimed to optimize positive economic, social and environmental impacts and to minimize negative impacts, especially in the poorest countries and key industry sectors.

## 10. Engaging beyond multinational companies

33. Another issue raised throughout the process of consultation was the sense that the United Nations cooperated mainly with Western multinational companies, without focusing enough attention on building partnerships with companies and business associations from developing countries or countries with economies in transition. One concern was that new partnership structures could grant Northern-based big business an institutionalized entry point via the back door. A number of people also commented on the lack of small and medium-sized enterprises involved in most existing partnerships, although they recognized the logistical and cost difficulties associated with engaging those enterprises.

34. Two respondents proposed the establishment of a "seed fund" or "innovation fund", which could be used to increase the involvement and partnership capacity of local companies and business associations in developing and transition economies. As one country-level respondent commented:

> "There is a need for more seed money to support these initiatives from the United Nations side. It is not realistic to expect the private sector to fund everything. Nor does this encourage a spirit of partnership."

Another stated:

> "In some cases, valuable partnerships may be signed with small-size companies that cannot afford to fund the feasibility and pilot stages undertaken under a partnership agreement."

Another raised the question as to what extent partnership and corporate social responsibility were a luxury for rich businesses. One respondent in the United Nations pointed out:

> "There are numerous examples of domestic companies in developing countries, including many small and medium-sized enterprises, which have developed innovative technologies and approaches to support local partnership efforts in areas such as micro-finance, renewable energy and eco-tourism. Due to lack of marketing and capitalization, these initiatives are not well known or have little opportunity to be scaled up. Partnerships between the United Nations, donors, non-governmental organizations and business associations can help to identify these locally driven leadership initiatives, build their capacities and share their lessons more widely, especially on a South-South basis."

### 11. Building capacity

35. The need for greater partnership capacity within the United Nations system itself was one of the most commonly cited challenges by respondents from all sectors. Issues raised included the need for new skills and competencies and for people who were able to work across traditional boundaries and with a shift in paradigm. Business and civil society representatives recognized that that skill set was not common and was also required in their own sectors. There were calls for increased training and management development efforts within individual United Nations entities, as well as on an inter-agency basis, and on a joint basis between the United Nations, business and civil society. Linked to this were a number of comments on the lack of resources currently allocated to this area of United Nations activity, especially at the country and operational levels.

### 12. Establishing coherence

36. The lack of common definitions, frameworks, tools and mechanisms for private sector partnerships within the United Nations system was also cited by a number of respondents. As one person observed:

> "There is a lack of common definition on what partnerships mean and involve and how they differ from or relate to other types of relationship with the private sector."

Several people pointed out that this was a difficult issue to resolve. On the one hand, greater commonality and central coordination would help to address such issues, on the other, a more centralized, institutionalized approach could undermine the flexibility and innovation needed to respond to business and to the different mandates and activities of United Nations bodies. There was some scepticism about a business version of the Non-Governmental Liaison Service. One person within the United Nations commented:

> "An open market approach to the private sector is more likely to be effective, supported by an active and well-resourced partnership web site."

It was felt that the use of a few common tools that were adaptable to specific needs and situations, such as the Secretary-General's guidelines for cooperation between the United Nations and the business community, appeared to be the most effective

way forward to achieving common approaches and coherence without undue bureaucracy.

### 13. Overcoming bureaucracy

37. The level of bureaucracy in the United Nations system, both real and perceived, was cited as a major obstacle to partnership, especially by private sector respondents. As one commented:

> "Certainly many companies would question the credibility of the United Nations as a cost-effective broker for partnerships. It is seen by many as too bureaucratic."

Although respondents raising this issue recognized the need for the Organization to carry out "due diligence" and ensure accountability, they felt that the level of bureaucracy put off business, caused delays and increased transaction costs. As one United Nations respondent stated, "too much focus on protocol and procedure gets in the way of the 'can-do' output orientation of business". Linked to this point, several respondents commented that the complexity of the United Nations system, areas of duplication and lack of focal points or consistency between agencies were all barriers to effective interaction. Although the United Nations-business web site had made it easier for potential partners to obtain information and to access relevant contacts, a few respondents commented that this needed to be more regularly updated and better resourced.

### 14. Learning from experience

38. Respondents pointed to the need for mechanisms to share learning and lessons from existing partnerships and to use these to better evaluate future partnerships before initiating them. Several people commented on the fact that it was not easy to get examples from other parts of the United Nations system of existing good practices or lessons on failed partnerships. This was due in part to lack of resources and designated coordination points, but a few people commented explicitly on the level of competitiveness between agencies and an unwillingness to share examples or contacts. One respondent also cited vested interests in government and business as an obstacle to sharing information and developing more participatory approaches to learning what worked and what did not, especially at the national level. People felt that ongoing efforts were needed to build inter-agency learning networks, intensify cross-sector dialogue and utilize the Internet in order to share information and lessons more effectively.

## C. Summary of views

39. Despite the strategic risks and operational challenges associated with partnership-building, most respondents saw potential benefits of cooperation between the United Nations and the private sector. There were, however, clear and common messages from Member States and others consulted on the need for:

(a) Guidelines and due diligence procedures that provided clarity on definitions, principles and criteria, but did not attempt to micro-manage or undermine flexibility and innovation. Those guidelines should ensure alignment on common goals; clear delineation of responsibilities and roles; accountability;

transparency; no unfair advantage or exclusivity; and a commitment to maintaining the independence, integrity and impartiality of the United Nations;

(b) Increased participation of companies and business associations from developing and transition economies and from the small and medium sector;

(c) More resources and support for internal capacity-building;

(d) Greater information-sharing and inter-agency learning;

(e) Efforts to ensure that partnerships did not undermine the intergovernmental process and that they served the purposes and goals of the United Nations system first and foremost, even if they also served other purposes and goals in the process.

## III. Different types of cooperation with the private sector

40. Relationships between the United Nations system and private sector organizations are multi-level, multi-issue and multi-purpose. They range from well-established procedures for participation in the intergovernmental process, such as the unique tripartite structure of the International Labour Organization (ILO) in place since 1919, and consultative status of business associations with the Economic and Social Council, which is enshrined in the Charter of the United Nations, to more recent arrangements. The more recent arrangements include partnerships that have become institutional structures in their own right, such as the Global Environment Facility, the United Nations Fund for International Partnerships and the newly constituted ICT Task Force, as well as informal and experimental initiatives, with minimal institutional frameworks. There is great diversity in the areas mentioned below.

*Governance*

41. In some cases private sector organizations are part of the institutional or project governance and decision-making structure, in many cases they are not. Some partnerships, for example technical cooperation and media and public relations outreach agreements, are legally binding on the private sector participants, others such as informal learning networks are not.

*Goals and objectives*

42. Some partnerships with private sector organizations are focused on addressing governance and policy issues, others on mobilizing resources — money, skills and technology — for operational purposes and programme delivery. Some are aimed at information dissemination and communicating the values, goals and initiatives of the United Nations to constituencies outside the United Nations system, while others are aimed at feeding external perspectives, research and analysis into the United Nations system. Some aim at working directly with market forces to tackle development issues, others are established to address market failure. Some focus on mobilizing the philanthropic contributions of business, others on harnessing core business competencies and resources and a few on influencing business practices.

*Scope of activity*

43. Some partnerships are global-level, multi-stakeholder, multi-issue initiatives, others are local projects in a particular country or community, engaging only one private sector organization. Some focus on short-term humanitarian work, especially emergency response, while others are aimed at long-term development and institution-building. Some adopt an integrated, holistic approach to social, environmental and economic issues, others are focused on special issues or interest areas. Some are focused on a specific United Nations process, event or conference or a specific United Nations body, while other relationships, such as those business associations in general consultative status with the Economic and Social Council, range more broadly across the activities of the United Nations system.

*Range of partners*

44. Certain United Nations entities, such as the International Telecommunication Union (ITU), the International Maritime Organization (IMO), the Universal Postal Union (UPU) and the World Meteorological Organization (WMO), work with a very specific group of private sector actors. Others, for example the United Nations Development Programme (UNDP), the World Bank, the United Nations Children's Fund (UNICEF) and the United Nations Environment Programme (UNEP), have relationships with a wide range of private sector organizations.

45. In short, relationships between the United Nations and the private sector take many different forms, including transactional types of relationship, where private sector organizations are providers of goods and services to the Organization on a commercial, contractual basis or where they are clients or beneficiaries of United Nations programmes and projects. Those relationships have been reviewed in previous reports and are not the subject of the present report, which focuses on cooperative arrangements or partnerships.

46. Most cooperative initiatives between the United Nations system and the private sector, whether they are mobilizing philanthropic corporate contributions, core business competencies and investments or a combination of both, are focused on one or more of the following purposes: policy dialogue; advocacy; mobilizing private funds; information and learning; and operational delivery.

47. These five types of cooperation are not mutually exclusive. Some examples of cooperation between the United Nations system and business include several types of activity in one partnership, for example the Global Compact, the United Nations Fund for International Partnerships, the Global Environment Facility and Business Partners for Development. The five categories still offer a useful framework, however, for describing United Nations cooperation with the business community and are outlined in more detail below. The specific modalities for achieving their purposes — for example a formal process of accreditation, a legally constituted trust fund or an informal learning network — will vary, according to the particular situation, purpose and participants.

## A. Policy dialogue

48. Partnerships for policy dialogue include the formal and informal participation of the private sector in official intergovernmental deliberations and in the

institutional governance, normative and standard-setting structures of the United Nations system. They also include engagement of the private sector in policy dialogue with United Nations entities outside official intergovernmental processes, in particular through global public policy networks and the development of voluntary initiatives in the area of establishing corporate social, ethical and environmental standards.

49. In the first case, the United Nations is inviting non-state actors, including the private sector, to participate in its existing institutional structures and processes. In the case of global public policy networks and voluntary standard initiatives, United Nations bodies participate with other actors, both non-state actors and in some cases Governments, in shared structures outside the Organization's own institutional framework.

## 1. Formal institutional mechanisms for participation in policy dialogue

*Full participation in a United Nations governing body*

50. The ILO tripartite governance structure has been in place since 1919 and gives workers' and employers' representatives an equal voice with those of Governments in formulating ILO policies. The impact is felt not only at the level of the Governing Body and annual International Labour Conference, but throughout the programme activities of ILO, ranging from setting standards on working and living conditions to research, training and technical cooperation. A more recent example is that of the Joint United Nations Programme on HIV/AIDS (UNAIDS), whose Programme Coordinating Board, which serves as its governing body, consists of 22 Governments from all regions elected by the Economic and Social Council, the 7 United Nations co-sponsors of UNAIDS and 5 non-governmental organizations, including associations of people living with human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS).

*Formal consultative status with the United Nations*

51. Consultative status of non-governmental organizations with the Economic and Social Council remains at the core of the formal relationship between the United Nations and non-state actors. This is reviewed in detail in the report of the Secretary-General of 10 July 1998 (A/53/170). As at August 2001, out of the 2,088 non-governmental organizations in consultative status with the Council, about 200 were business, trade, professional or industry-related associations. Most of them had roster status, with a few in general consultative status, such as the International Chamber of Commerce, the International Federation of Business and Professional Women, the International Organisation of Employers and the World Economic Forum.

52. In addition to consultative status at the level of the Economic and Social Council, most United Nations funds, programmes and specialized agencies now grant some level of consultative status to non-state actors whose goals and activities are directly related to their own and from whom they can obtain information or expert advice. These are usually non-governmental organizations, including business associations, but in some cases they may be individual companies or private sector experts. The degree of participation varies. Specialized agencies such as ITU, the Food and Agriculture Organization of the United Nations (FAO), IMO, WMO, the

World Intellectual Property Organization (WIPO), UPU and the International Civil Aviation Organization (ICAO) have extensive consultative and participatory arrangements with non-state actors on policy and technical issues, including private companies in some instances. In other cases, formal consultative status with a United Nations body entitles non-state actors to be observers, rather than participants, in governing body meetings and intergovernmental conferences and to submit oral or written statements on request. Moreover, in most cases, consultative status is restricted to not-for-profit entities, which may include business associations, but not individual private companies.

*Participation in commissions, committees, task forces and working groups on specific issues*

53. Individuals from civil society and the private sector are increasingly active participants in the work of commissions, most notably the Commissions on Sustainable Development, Social Development and Human Rights. They are also becoming active in committees and subcommittees, expert meetings, working groups, groups of eminent persons, and special task forces. Examples include:

(a) The multi-stakeholder dialogue sessions and panel discussions that take place in the Commission on Sustainable Development as a key element of fulfilling its mandate to monitor the implementation of Agenda 21. Adopted at the United Nations Conference on Environment and Development in 1992, Agenda 21 identifies nine major groups that have subsequently formed the basis for the Commission's dialogue sessions. They include women; children and youth; indigenous peoples; non-governmental organizations; local authorities; workers and their trade unions; business and industry; the scientific and technical community; and farmers. The multi-stakeholder dialogues enable focused discussions and free exchange of views between Commission members and a variety of private sector and civil society groups on key issues relating to sustainable development, including efforts of the private sector to promote sustainable business practices;

(b) The High-Level Group of Advisers on Information and Communications Technology of the Economic and Social Council, which has led to the creation of the ICT Task Force. Constituted by the Secretary-General in 2001, the Task Force will include representatives from Member States, the private sector, the non-profit sector, including academia and non-governmental organizations, and United Nations entities, with the President of the Economic and Social Council serving as an ex officio member. The ICT Task Force is the first instance of a body created by an intergovernmental decision in which Member States, the private sector and other stakeholders will participate as equal partners in a major effort to harness information and communication technology for development. It will hold its first formal meeting in September 2001 to adopt its plan of action;

(c) The High-Level Policy Network on Youth Employment, which has been convened by the Secretary-General within the framework of the United Nations Millennium Declaration (see General Assembly resolution 55/2). It consists of a joint secretariat; a technical-level network, composed of partners from within and outside the United Nations system with experience in youth employment; and a high-level panel convened by the Secretary-General, jointly with the President of the World Bank and the Director-General of ILO, composed of 12 prominent leaders from the private sector, trade unions, civil society and the economic policy field.

The Network's goal is to explore imaginative approaches to youth employment, with a focus on five thematic areas. Outputs will include policy recommendations to the General Assembly, documentation of good practices and collaborative initiatives on youth employment.

*General advisory bodies or committees*

54. A number of individual United Nations funds, programmes and agencies have also established general advisory bodies consisting of individuals from the private sector and/or civil society. Their goal is usually to provide the relevant United Nations body with a forum for the exchange of ideas and advice on more general institutional policy and operational issues. Examples include the WIPO industry and policy advisory commissions; the UNDP Civil Society Organization Committee; the World Bank's NGO Committee; the United Nations Population Fund (UNFPA) NGO Advisory Committee; the International Finance Corporation (IFC) Business Advisory Group; the United Nations Office for Project Services (UNOPS) Business Advisory Council; the Economic and Social Commission for Asia and the Pacific (ESCAP) Private Sector Advisory Group; FAO Advisory Committee on Paper and Wood Products; the United Nations/Economic Commission for Europe (ECE) Build-Operate-Transfer, Intellectual Property Rights and Real Estate Advisory Groups; the United Nations Industrial Development Organization (UNIDO) Business Advisory Council; and the three ITU sector advisory groups.

*Associative status with the Department of Public Information*

55. Non-governmental organizations, including business associations, with an ability and interest to share information on United Nations activities, issues and values with their members and the general public can apply for associative status with the Department of Public Information. This arrangement provides them with access to information about a range of issues in which the United Nations is involved and with support for disseminating that information. In turn they provide the United Nations with valuable links to people around the world. Only not-for-profit organizations are eligible for associative status with the Department, which include a number of business associations, but no individual companies.

*Accreditation for specific conferences and events*

56. Non-state actors can be formally accredited to United Nations conferences and preparatory events and committees. This process varies from conference to conference and could benefit from standardization. Since the United Nations Conference on Environment and Development in 1992, increasing efforts have been made to include the inputs of the business sector in such conferences. The preparations for the 2002 World Summit for Sustainable Development reflect those efforts. The International Chamber of Commerce and the World Business Council for Sustainable Development, both active at the 1992 conference, have established Business Action for Sustainable Development to serve as a cooperative platform and network for private sector input to the Summit, working with other business groups and United Nations bodies. Another example is the Financing for Development Conference in 2002, for which accreditation has been offered to individual firms as well as business associations. As part of the preparatory process for the Conference, a series of consultations are being hosted by the International Chamber of Commerce, the World Economic Forum, the Business Council for the United

Nations, the Money Matters Institute, the Social Investment Forum and the African Forum for Investment Promotion to obtain the input of the business community.

*Members of national delegations at United Nations conferences*

57. Individual business leaders and other civil society actors may participate in intergovernmental processes when invited by their Government to advise, or to be part of, a national delegation to a United Nations conference.

*Observer status or ad hoc participation at General Assembly proceedings*

58. A growing number of non-state actors, including on occasion individual business leaders, are invited at the decision of the General Assembly as it determines necessary to participate as observers in special sessions of the Assembly; make statements during the general debate of the General Assembly; or participate in panel discussions convened by Main Committees of the Assembly.

## 2. Informal institutional mechanisms for participation in policy dialogue

*Parallel events to United Nations conferences*

59. Non-state actors, including business associations, companies and individual entrepreneurs, are increasingly active in organizing briefings and parallel events to major United Nations conferences and special sessions of the General Assembly. Many of these result in statements or recommendations to the relevant United Nations governing bodies. In some cases such events are organized in cooperation with the United Nations, at its formal invitation, in others non-state actors organize them in their own capacity.

60. At the United Nations conference on Environment and Development in 1992, for example, the Business Council for Sustainable Development and the International Chamber of Commerce hosted business delegations and a series of private sector and cross-sector dialogues. Several private sector events were also held parallel to the World Summit for Social Development in Copenhagen in 1995, convened by a combination of the Danish Ministry for Social Affairs, the Caux Round Table and the Business Association for the World Social Summit (BUSCO). At the Second United Nations Conference on Human Settlements in Istanbul, Turkey, in 1996, the Progressio Foundation organized a World Business Forum attended by several hundred companies and entrepreneurs from around the world. A panel of senior-level United Nations and business leaders on diversity is planned for the United Nations Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, being held in Johannesburg, South Africa, in August 2001.

*Briefings to delegates and permanent missions to the United Nations*

61. These may be associated with a specific issue, event or conference or be part of a more regular, ongoing process. The Business Council for the United Nations, for example, which is part of the United Nations Association of the United States of America, plays an active role in increasing understanding between ambassadors to the United Nations and United States business leaders through a series of regular briefings and dialogues. It also hosts briefings around specific issues and events. National chambers of commerce and business associations from some countries

provide briefings to their own country missions at the United Nations or to their country's governmental delegations to United Nations conferences.

*Informal consultations, dialogues and workshops between United Nations entities and non-state actors on specific policy issues*

62. There are numerous examples of national, regional and global workshops and informal consultations hosted by United Nations entities on specific issues, ranging from economic development to human rights and the environment, to which business associations, companies and individual business people are now invited, often together with government officials, academics and non-governmental organizations. Non-governmental organizations and private sector organizations also host multi-stakeholder dialogues to which United Nations entities are invited.

### 3. Global policy networks

63. Apart from formal and informal institutional mechanisms for participation in United Nations intergovernmental processes and conferences, non-state actors, including the private sector, have a growing influence on global governance through their engagement in multi-stakeholder, partnership-based governance networks and policy dialogues. Described variously as "coalitions for change" or "global public policy networks", such initiatives pursue cooperative policy solutions to common problems — not only among Governments, but also encompassing, and often initiated by, international institutions, civil society organizations and the private sector. They tend to focus on a specific global issue, such as addressing a market or governance failure, providing a global public good or service, facilitating the negotiation and setting of global standards, gathering and disseminating knowledge and helping to implement traditional intergovernmental treaties. Examples of such networks include the Consultative Group on International Agricultural Research, the Global Alliance for Vaccines and Immunization, and the World Commission on Dams, which are profiled in annex II.A.

64. These multi-stakeholder policy networks have the potential to complement the work of Governments and intergovernmental institutions, helping to address complex issues with the scope and speed that is sometimes difficult for formal institutional arrangements to achieve. Their broad membership allows them to tap information and expertise from a variety of backgrounds, thus providing a more complete picture of particular policy issues that can help Governments in their deliberations and decision-making.

### 4. Voluntary standard initiatives

65. Over the past five years there has been marked growth in the number and variety of voluntary standard initiatives, focused on implementing environmental, ethical, labour and human rights standards in the work place and along global supply chains. Those initiatives are either public-private in nature or privately driven by employers and industry associations, trade unions, individual companies and/or civil society organizations. They include codes of conduct, guidelines, social and environmental labelling initiatives, certification, licensing, monitoring and social audit schemes, as well as framework agreements on environmental standards between environmental organizations, companies and sometimes Governments, and on labour standards between trade union bodies and industry associations or

individual companies. Although they are not part of the intergovernmental process, many of the new initiatives use United Nations principles, conventions and recommendations as their starting point. In several cases United Nations bodies have played an important convening, advisory or support role in their development. Some examples of industry-sector initiatives focused on sustainable development, where UNEP has played a key role, are profiled in annex II.B.

## B. Advocacy

66. Advocacy partnerships are cooperative initiatives between the United Nations system and non-state actors to raise public awareness and support for United Nations goals and programmes through activities such as joint communications, product licensing and cause-related or social marketing. Such support may also include the mobilization of philanthropic funds, products or volunteers.

67. There are a variety of such initiatives undertaken by different United Nations funds, programmes and agencies, at both the global and the national level. Examples include FAO's annual TeleFood campaign to raise awareness, funds and products to tackle hunger; partnerships between UNAIDS and the media to raise awareness of HIV/AIDS and between the Office of the United Nations High Commissioner for Refugees (UNHCR) and various companies to raise public awareness of refugee issues; and cooperation between the United Nations International Drug Control Programme (UNDCP) and the sports industry to educate young people about the dangers of drug abuse. Some companies have cooperated with the United Nations on awards that publicly recognize and promote leadership in development issues. Examples include corporate support for awards and fellowships for women in science, developed by the United Nations Educational, Scientific and Cultural Organization (UNESCO), and for prizes recognizing advances in meteorology, developed by WMO.

68. A recent advocacy initiative is the "UN Works" programme. This is an inter-agency strategy to put a human face on the work of the United Nations, showcase each United Nations body's work and demonstrate how cooperation with various partners, including Governments, non-governmental organizations, foundations and the private sector makes a concrete difference in the lives of real people. A key vehicle is the UN Works web site launched in 2001 as a cyber magazine. The UN Works programme has entered into cooperative agreements with several media companies with the aim of increasing its outreach. Two other examples of advocacy partnership with the private sector are the work of the UNICEF national committees and its signature service programme Change for Good® and the more recently established Netaid initiative, which are profiled in annex II.C.

## C. Mobilizing private funds

69. Partnerships in this area include cooperative efforts between the United Nations system and the private sector to jointly mobilize public and private capital for United Nations programmes and projects or for development more generally. The private capital may be in the form of philanthropic funds or investment capital, ranging from mainstream commercial investments to social venture capital and socially responsible investment funds.

70. The most strategic of such cooperative initiatives are focused on mobilizing private investment, either domestic or foreign, for development projects ranging from large-scale infrastructure development to microfinance. They include public-private joint ventures or investment funds, such as those developed by IFC, which act as a catalyst for directing mobilizing private capital for projects that have long-term business and development potential, but cannot get financing or technical expertise on reasonable terms through the market. The innovative public-private financing mechanisms that IFC has developed to mobilize investment for environmental technology enterprises, microfinance intermediaries and small and medium-sized businesses in developing countries would fit into this category. Some examples of environmental public-private funds are given in annex II.D.

71. There are also cooperative initiatives aimed at facilitating private investment, rather than raising it directly, for example by creating a suitable enabling environment, providing technical assistance or sharing information on what works in attracting and retaining private capital. The Investment Deliverables initiative is one example of such a partnership. Initiated in 1998 by the Secretary-General, this is a cooperative effort by the International Chamber of Commerce and the United Nations Conference on Trade and Development (UNCTAD), supported by the Global Compact, that aims to increase foreign direct investment to some of the world's poorest countries. It is described briefly in box 2. Other partnerships that facilitate or encourage private investment rather than raise funds directly include the Money Matters Initiative, the Public-Private Infrastructure Advisory Facility, the MicroStart programme and Public-Private Partnerships for the Urban Environment. These are outlined in annex II.D.

Box 2

**The International Chamber of Commerce and the International Organisation of Employers: involving the private sector in developing countries**

The **International Chamber of Commerce (ICC)**, established in 1919, and the **International Organisation of Employers (IOE)**, established in 1920, have actively participated in the intergovernmental processes of the United Nations system and undertaken operational collaborations with a wide range of United Nations bodies for over 50 years. IOE also has the unique role of being one of the three constituents in the International Labour Organization (ILO). The two organizations have a global membership as outlined below and both place high priority on helping to establish and strengthen employers' and business organizations in developing and transition economies.

**International Chamber of Commerce**

The mission of ICC is to represent the interests of business in promoting and supporting an open, multilateral trade and financial system. Membership as at December 2000 consisted of over 7,000 individual companies and business associations in nearly 140 countries, with national committees in 74 countries and territories. Forty-five of the national committees are in developing and transition economies and 12 out of the 22-member Executive Board of ICC are from those countries.

Some 2,000 business executives from 93 countries serve in a voluntary capacity on ICC commissions and working groups, including initiatives on bribery, environment, energy and business in society.

**International Organisation of Employers**

The mission of IOE is to represent the interests of business in the labour and social policy fields. Membership as at December 2000 consisted of 134 national employers' organizations or federations from around the world. Although closely balanced on a regional basis, the greatest representation is from Africa (39), followed by Europe (38, of which 14 are from Central and Eastern Europe and the Russian Federation), North and South America (32) and Asia and the Middle East (25). The 18-member Management Board has representatives from eight developing or transition economies.

Two brief examples of the extensive work of ICC and IOE in building capacity in developing countries are as follows:

**The International Chamber of Commerce and the United Nations Conference on Trade and Development: promoting foreign investment**

In 1998, the Secretary-General initiated a partnership between ICC and the United Nations Conference on Trade and Development (UNCTAD), Governments, domestic business associations and over 20 multinational companies to promote foreign direct investment in some of the world's poorest countries. The programme is now supported by the Global Compact and has the following components:

- **Investment guides and capacity-building**. A pilot phase completed in 2001 undertook a two-pronged strategy in five countries, Bangladesh, Ethiopia, Mali, Mozambique and Uganda. Investment guides were produced, based on a series of facilitated workshops and trust-building between local and foreign business executives and government officials in each country. Based on a positive independent evaluation, the initiative is now extending to a further eight countries in its second phase.

- **Focus on the New Africa**. ICC and UNCTAD have collaborated with the United Nations Development Programme and the Multilateral Investment Guarantee Agency to produce a fact-sheet and booklet on investment opportunities in Africa.

- **Linkages promotion**. This project will aim to assist small and medium-sized enterprises in upgrading their managerial and technological capacity by facilitating supply and distribution linkages with multinational companies, and learning from the existing experiences and good practice in this area.

- **Investment Advisory Council for the least developed countries**. In May 2001 ICC and UNCTAD created an Investment Advisory Council consisting of high-level executives from transnational corporations and senior government officials. This aims to provide

Governments of the least developed countries with advice on increasing the level and quality of foreign direct investment and to raise international business awareness of investment opportunities in those countries.

**The International Organisation of Employers and the International Labour Organization: strengthening employers' organizations**

IOE has a long-standing relationship with the ILO Bureau for Employers' Activities, which focuses, among other things, on helping to build strong and representative national employers' organizations capable of addressing a wide range of social issues, especially in developing and transition economies. The activities of this ongoing work programme are too numerous to detail in this profile, but some recent areas of focus include the following:

- **HIV/AIDS**. In Africa, IOE, ILO, the Joint United Nations Programme on HIV/AIDS and Pan-African Employers' Confederation are working together to strengthen the capacity of employers' organizations to provide education and prevention programmes, counselling and care, action against discrimination and sufficient resources to tackle HIV/AIDS in the workplace.
- **Elimination of child labour**. In 1998 IOE produced an Employers' Handbook on Child Labour, supported by workshops and information activities to help national associations, with particular emphasis on Africa, in their efforts to eliminate the worst forms of child labour. An updated version of the Handbook was issued in 2001, with examples and lessons gathered from IOE members in over 60 countries on policies and practices being undertaken to address the issue at the company, industrial sector and national levels.
- **Stability pact**. In 1999, IOE and ILO helped to establish the South-Eastern Europe Employers' Forum as part of the multi-sector efforts towards the region's reconstruction. Its aim is to exchange information and increase cooperation and capacity within the region on tackling key issues related to social cohesion. Those issues include employment, social dialogue, social protection, health and housing.

72. Innovative partnerships have also been established to mobilize philanthropic funds for United Nations goals and programmes. Philanthropic funds come from individuals, companies or foundations, ranging from major independent foundations to corporate and family foundations. Philanthropic-based cooperation is not new. Several major foundations such as the Rockefeller, Ford and MacArthur Foundations, have a long-standing record of direct cooperation with different parts of the United Nations system and of awarding international grants in areas of direct interest to the United Nations. The accumulation of private wealth over the past 10 years, however, has led to an increase in philanthropy in the United States and elsewhere. The United Nations Fund for International Partnerships estimates that in

1999 there were nearly 50,000 grant-making foundations in the United States, with combined assets of about $448 billion and total giving of $22.8 billion in the same period. That figure increased to $27.6 billion in 2000. Only about 11.5 per cent of this total giving is currently internationally focused, of which most supports education and health activities. It is estimated that only 5-7 per cent of this international giving is currently channelled through the United Nations. This area offers potential for growth and greater cooperation between the philanthropic community and the United Nations family.

73. Well-known examples of philanthropic contributions include the $1 billion committed over 10 years by Ted Turner, which has led to the establishment of the United Nations Foundation and the United Nations Fund for International Partnerships, profiled in box 3. Donations by the Bill and Melinda Gates Foundation have helped to leverage millions of dollars of public and private funding in the area of health, one example being a $750 million grant in support of the Global Alliance for Vaccines and Immunization (see annex II.A). Other examples of philanthropic contributions to the United Nations include medical product donations by pharmaceutical companies; donations through national committees to UNICEF projects and national commissions to UNESCO projects; and support for digital divide projects and humanitarian programmes by ICT companies, which in many cases has been accompanied by products and volunteer expertise as well as money. Domestic companies and foundations and the subsidiaries of multinational companies have also made direct donations to location-specific United Nations projects in developing countries.

Box 3

**The United Nations Fund for International Partnerships and the United Nations Foundation**

In September 1997 businessman and philanthropist Ted Turner made an unprecedented gift of $1 billion to be paid over 10 years in support of United Nations efforts on global issues. In 1998 two new institutional structures were established to ensure the effective, transparent and accountable investment of the money.

The first, the **United Nations Foundation**, was established as an independent not-for-profit foundation, outside the United Nations system, responsible for delivering the $1 billion over a 10-year period. The United Nations Foundation is governed by an independent Board of Directors, currently composed of 10 internationally recognized leaders in the fields of economic, social, environmental and humanitarian issues. The Board is responsible for all aspects of governance of the Foundation. The Foundation's mission is to support the goals and objectives of the United Nations and its Charter, with a special emphasis on economic, social, environmental and humanitarian causes. In pursuit of that mission the Foundation is engaged in activities such as grant-making and raising new funds to support United Nations programmes and purposes.

The second structure, the **United Nations Fund for International Partnerships,** was established by the Secretary-General as an autonomous trust fund, headed by an Executive Director and operating under the leadership of the Deputy Secretary-General. The Fund's

Advisory Board is chaired by the Deputy Secretary-General and includes the President of the Economic and Social Council, the Chairman of the Second Committee of the General Assembly, several senior officers in the United Nations system and senior officials from the Ford and Rockefeller Foundations, as well as the Fund's own Executive Director. The United Nations Fund for International Partnerships serves as the central administrative vehicle within the United Nations for working with the United Nations Foundation and reports to the Advisory Committee on Administrative and Budgetary Questions and the General Assembly. It works with the United Nations Foundation to set the programme frameworks for projects to be funded by the Foundation; to identify innovative, high-impact projects and solicit and analyse proposals; to receive and distribute funds for approved projects and activities; and to monitor and report on their use.

The current areas of programme focus are population and women, including efforts to tackle HIV/AIDS; environment — biodiversity, energy and climate change; children's health — decreased childhood mortality, polio eradication and tobacco-free children; and peace, security and human rights. As at March 2001, the United Nations Foundation and the United Nations Fund for International Partnerships had programmed $385 million. A total of 207 projects have been approved for implementation in 124 countries. More than 30 United Nations entities are responsible for implementing those projects, often on an inter-agency basis and with participation from the private sector and civil society organizations. In order to respond to the increased interest from the business and philanthropic communities in working with the United Nation, the United Nations Fund for International Partnerships assists in providing advice and developing partnerships with the appropriate parts of the United Nations system. It also assists in establishing networks on private sector partnerships, including the creation of an enabling environment for corporate and individual philanthropy.

74. The Global AIDS and Health Fund recently proposed by the Secretary-General is a major cooperative effort to mobilize public and private funds and expertise to support national programmes tackling HIV/AIDS, tuberculosis and malaria. The Fund has already attracted contributions from Governments, foundations, the private sector and individuals. It will encourage national ownership and the involvement of civil society in the preparation and implementation of the programmes supported. It is envisaged that the governance structure of the Fund will include non-state actors.

75. Philanthropic donations made to the United Nations have mobilized hundreds of millions of dollars, products and volunteers and have made vital contributions to United Nations goals and programmes. Such philanthropic donations, however, are only a fraction of the development resources that can be mobilized through the multipliers generated by increased domestic and foreign private investment. At the same time, they are also a fraction of the contributions made to the United Nations system by Member States. In short, corporate and other forms of philanthropy have an important contribution to make to United Nations projects and programmes, but

their strategic importance should not be overestimated. The greatest contribution that domestic and foreign companies can make to meeting the development targets of the Millennium Declaration is through increased private sector investment and through concerted and transparent efforts to ensure that the social and development impacts of such investment are positive.

## D. Information and learning

76. Information and learning partnerships include joint initiatives between the United Nations system, the private sector and other actors focused on information-sharing, research and learning. They are aimed at building and disseminating cross-sector knowledge and know-how on critical development issues and methodologies as widely and effectively as possible.

77. There is now widespread recognition of the critical importance of knowledge as an asset in increasing development effectiveness and in achieving the goals set out in the Millennium Declaration. New institutional structures and networks are needed to access and share existing knowledge and know-how, including indigenous knowledge, and to continue building a body of development knowledge that can be shared widely and that is appropriate and relevant to the development needs of different countries and contexts. In recent years there has been an increase in joint information-sharing and experiential learning activities between the United Nations and the private sector to meet those goals. This has included joint research and publications on a variety of technical, scientific and broader development issues, including efforts to share lessons on effective partnerships between government, business and civil society.

78. An area of long-standing and extensive cooperation between the United Nations and the private sector is the joint research, information and training work undertaken on technical and scientific issues by United Nations bodies such as WIPO, ICAO, ITU, WMO, IMO, UPU, UNIDO, ILO, UNEP and others. ICAO, for example, has worked in partnership with the International Air Transport Association to produce manuals and technical materials widely used by the aviation industry. WMO's Hydrology and Water Resources programme has interacted with Governments and private organizations to undertake water resource assessments. IMO and UNEP have worked with the International Petroleum Industry Environmental Conservation Association to produce training materials on issues such as oil spill preparedness. These are only a few illustrative examples of an area of important cooperation between the United Nations, the private sector and often the scientific community.

79. Other information and learning partnerships include cooperation between the Commission on Sustainable Development, UNEP, the World Business Council for Sustainable Development and the International Chamber of Commerce on a variety of research projects, management guidelines and training activities to understand and support the role of business in sustainable development. UNAIDS, the Global Business Council on HIV/AIDS and the Prince of Wales International Business Leaders Forum, have cooperated on developing guidelines, case studies and workshops on the role of the private sector in addressing HIV/AIDS. ILO and the European Baha'i Business Forum have undertaken joint research and training on socially responsible enterprise restructuring. The International Organisation of

Employers has worked with ILO on guidelines, case studies and training workshops on eliminating child labour and tackling HIV/AIDS in the workplace.

80. In 1998, the World Bank convened the multi-stakeholder Business Partners for Development programme, a three-year project-based, global learning network consisting of some 120 companies, civil society organizations and government agencies working together on 30 focus projects in 20 countries. Other multi-stakeholder information and learning partnerships that involve the private sector include the Global Knowledge Partnership, the Global Development Network and the Global Water Partnership. These are profiled in annex II.E.

### E. Operational delivery

81. Operational delivery partnerships directly support United Nations operations on the ground. They involve joint programme or project design, implementation and/or evaluation, in addition to the mobilization of financial, in-kind, technical or managerial resources from partners.

82. Partnerships in this category not only mobilize funds from the private sector, but also engage business expertise in the actual design and implementation of projects, and in some cases in the governance and evaluation of those operations. Participants may include United Nations organizations, national, regional and local governmental bodies, donors, individual companies, business associations, foundations and other civil society organizations. Examples include the First on the Ground Initiative, a partnership between the Office for the Coordination of Humanitarian Affairs, on behalf of the United Nations system, and L. M. Ericsson to improve communications in emergency situations; the Refugee Registration Project, a partnership between UNHCR and Microsoft and its corporate partners to improve information management in refugee crises; and an agreement between UNAIDS and Coca-Cola to channel the company's in-kind assistance, in particular with regards to logistics and marketing, to priority activities against AIDS in Africa. These examples, together with the Asia-Pacific Development Information Programme and the United Nations International Short-Term Advisory Resources (UNISTAR) volunteering initiative, are described briefly in annex II.F.

83. The five Regional Commissions and UNRWA are developing a variety of partnerships with the private sector and civil society organizations at the national and regional levels in their areas of operation. There are also examples of country-level operational partnerships that involve United Nations country offices, domestic companies, local subsidiaries of multinational companies, and other local partners. A small sample of such location-specific initiatives, which focus mainly on addressing development and humanitarian issues, is provided in annex II.E.

## IV. The Global Compact

84. The Global Compact is one of the partnership initiatives established in the past five years that has raised extensive interest among Member States, the private sector, non-governmental organizations and civil society in general. This initiative is a multi-stakeholder learning, dialogue and action network that embraces elements of several of the types of cooperation outlined in the previous section. The Global

Compact was launched by the Secretary-General in 1999 at the World Economic Forum in Davos, Switzerland. It was initiated as a call to business leaders around the globe to embrace and implement, in their own spheres of influence, a set of nine universally agreed principles in the areas of environment, labour and human rights. The principles were selected on the basis of, firstly, having been developed through international intergovernmental agreements and, secondly, having operational and strategic relevance to the private sector. Over the past year the initiative has evolved into a multi-stakeholder learning network, driven largely by the activities of its business and civil society participants. The network is composed of United Nations entities; the private sector (both companies and business associations); trade unions; non-governmental organizations active in the areas of environment, labour, human rights and development; and academic institutions.

85. The United Nations bodies involved in the core operational aspects of the initiative are ILO, UNEP, the Office of the United Nations High Commissioner for Human Rights (OHCHR) and UNDP. Those organizations have played a key role in agreeing on the nine principles, which are listed in annex III, and working with the other partners to develop an implementation framework, including at the country level. A number of other United Nations entities are involved in specific aspects of the Global Compact. In terms of private sector participation, a major focus has been to involve companies and business associations from a variety of industries and countries, especially developing countries. Several hundred companies are currently engaged in the network, two thirds of them from over a dozen developing countries, including small and medium-sized enterprises. The International Chamber of Commerce and International Organisation of Employers have also been active in engaging their networks of national organizations in over 100 countries. The International Organisation of Employers, for example, has hosted regional meetings and is producing a guide and training materials for employers on the Global Compact, and the International Chamber of Commerce is working with UNCTAD on investment deliverables in some of the world's poorest countries.

86. The Global Compact is based on the conviction that weaving universal social and environmental values into the fabric of existing economic rules, global markets and corporate practices will help to advance broader societal goals and address some of the downsides of globalization, while supporting open markets. By doing so, corporate activity is also brought into closer alignment with United Nations values and goals. The Global Compact is not intended as, and does not have the capacity to be, a corporate code of conduct or global standard. Rather, it should be viewed as a values platform and learning network that provides a framework through which its participants are able to publicly support a set of universally agreed values and the work of the United Nations. The framework also enables participants to learn lessons from each other on implementing environmental, labour and human rights principles in their own business activities and on initiating practical joint action to address the challenges of globalization.

87. Designed as an issue network, the Global Compact thrives on the action of its participants. A Secretary-General trust fund has been established to receive contributions from Governments or foundations to make possible the functioning of the network. To avoid potential conflicts of interest, the Global Compact does not accept financial contributions from the private sector for its own operations. Neither can participating companies or other actors use the United Nations emblem when taking a public stand on the Global Compact and its principles, whose use is subject

to strict regulations, as stipulated in the Secretary-General's guidelines for cooperation between the United Nations and the business community (see annex III, sect. V).

88. Through a process of dialogue and consultation with the various partners, the Global Compact has developed a three-pronged implementation strategy: learning, dialogue and action:

(a) *Learning.* A learning forum has been established with academic institutions from North and South. Corporations are required to submit annually examples of concrete actions undertaken to apply at least one of the nine principles. These examples pass through several rounds of analysis and questions by academic and other partners in the Global Compact before being posted publicly on the Internet for more extensive public review and debate. The goal is to create a learning bank on what works and what does not in implementing the principles. The first group of submissions is being received and they will be posted on the Global Compact web site in late October;

(b) *Dialogue.* Each year a theme of common interest will form the basis for a series of multi-stakeholder policy dialogues. The dialogues provide a platform for Global Compact participants to exchange views and develop concrete joint action plans to address specific challenges of globalization. The current theme is the role of the private sector in zones of conflict;

(c) *Action.* In addition to asking participating companies to apply the nine principles in their corporate activities, the Compact also encourages them to establish partnership initiatives with the United Nations and other development actors to jointly address the development needs of poorer countries.

89. Examples of the development initiatives, learning forums and operational frameworks that are emerging based on the values platform provided by the Global Compact include the following:

(a) Country-level meetings and activities convened by national business associations, the International Organisation of Employers, UNDP and United Nations resident coordinators in Africa, Asia and Latin America;

(b) ESCAP and UNDCP are establishing an Asian network to promote good corporate governance and citizenship in Asia, based on the Global Compact framework;

(c) The newly established ECE Public-Private Alliance for Infrastructure, is inspired by the Global Compact and plans to offer concrete examples of cooperation on the ground;

(d) UNHCR is exploring operational projects in the area of humanitarian and refugee support with a group of Nordic companies that support the Global Compact initiative;

(e) UNIDO has undertaken joint research with Global Compact companies that then serves as a platform to design and implement technical cooperation activities. One example is a study on the implications of electronic and mobile business for small and medium-sized enterprises in developing countries, which was undertaken jointly with a leading telecommunications company;

(f) The International Confederation of Free Trade Unions has signed a global framework agreement with several companies on international labour standards;

(g) The Brazilian-based *Instituto Ethos de Empresas e Responsabilidade Social* has mobilized Brazilian companies to support the Global Compact and over 30 leading Indian companies are also supporting it through action on HIV/AIDS and basic education;

(h) Global Compact companies are helping to support UNCTAD on investment deliverables, such as investment contract facilities, investment guides, linkages and advisory councils;

(i) Increasingly, individual companies are using the framework of the Global Compact to align their activities in society with United Nations goals in areas such as health, HIV/AIDS, microcredit, environment, diversity, combating racism and community involvement.

# V. Managing cooperation with the private sector

90. In April 1999, the Administrative Committee on Coordination discussed interactions between the United Nations system and the private sector in the context of the challenges of globalization. They agreed that in pursuing cooperation with the private sector, the development dimension of partnership should be stressed and that other partners, such as different levels of government, including municipal authorities and parliamentarians, as well as trade unions and non-governmental organizations, should also be actively engaged. In October 1999, members of the Administrative Committee on Coordination agreed that new alliances and partnerships with key stakeholders, including the private sector, should be based on United Nations values and should ensure the preservation, independence and uniqueness of the United Nations system and its constituent parts. The Administrative Committee on Coordination has decided to keep the experiences and practices of its member organizations under review to ensure systematic exchange of information, improve understanding of each other's policies and activities and promote transparency and consistency in developing cooperative relationships with the private sector. The following section reviews some of the steps that have been taken to develop appropriate guidelines, management structures and capacities for cooperation with the business community.

## A. Guidelines and modalities

91. Over the past 50 years the United Nations system has developed guidelines, selection criteria and operational procedures for managing procurement contracts, accepting philanthropic donations, implementing volunteer arrangements and facilitating the participation of non-state actors, including business associations, in intergovernmental processes. Over the past year, further progress has been made on developing guidelines for cooperation with the business community, based on the recommendations of the Joint Inspection Unit in its report on private sector involvement and cooperation with the United Nations system (see A/54/700) and the input of an internal inter-agency working group.

92. Established in June 1999 under the auspices of the Deputy Secretary-General, the working group aimed at striking the right balance between safeguarding United Nations integrity and independence and preserving the necessary degree of flexibility to encourage successful and innovative approaches that advance United Nations goals. It focused on clarifying the circumstances in which the name and emblem of the United Nations can be used and on establishing a "value framework" for cooperation that demonstrates that the United Nations is selective when engaging the business community. The guidelines are designed to provide guidance to United Nations staff without limiting more specific approaches by agencies in accordance with their particular mandates. In July 2000, the Secretary-General sent the guidelines to the heads of United Nations offices, departments, funds, programmes and specialized agencies. The guidelines, which include examples of common partnership modalities, are publicly available on the United Nations web site and are provided in annex III to the present report.

## B. Management structures and capacities

93. United Nations bodies have developed a variety of institutional structures to manage their cooperation with the business community. UNDP has established a Division for Business Partnerships, within the Bureau for Resources and Strategic Partnerships, which has developed a comprehensive "tool kit" on cooperation with business for its officers at headquarters and in the field. The World Bank's Business Partnership and Outreach Group, established in 2000, has also developed a comprehensive package to guide and inform its officers on working with the private sector. WHO has had a Private Partnership Unit in its Department of External Relations and Resource Mobilization for several years and its guidelines for collaboration with the private sector were developed in 1999, after consultation with Member States and non-governmental organizations. Internal mechanisms have been developed to implement the guidelines, including a Committee on Private Sector Collaboration to review specific cases that require interpretation of the guidelines. In June 2000, UNOPS established a Private Sector Partnership Unit and is developing what it terms a partnership regime, to complement its existing procurement regime. It has established integrated partnership management services, which will assist UNOPS clients in brokering partnerships, developing partnership framework agreements and implementing partnership projects.

94. The UNESCO Programme for New Partnerships is working on revising its existing guidelines and developing a comprehensive partnerships policy for working with the business community, in consultation with its headquarters staff, field offices, national commissions and other United Nations entities. The Office for the Coordination of Humanitarian Affairs has recently included public-private partnerships as a thematic unit within its Policy Development and Studies Division to enable closer coordination of private sector initiatives for humanitarian operations between its New York and Geneva offices. UNHCR has created a Private Sector and Public Affairs Service and UNAIDS has established a Partnership Unit in its Social Mobilization and Information Department. In 1998 UNFPA established a Private-Sector Initiative as part of its interdisciplinary Global Initiative on Reproductive Health Commodity Management. The International Fund for Agricultural Development (IFAD) established a Private Sector/Capital Markets Unit in 1998 that serves as an entry point for corporate partnerships.

95. Other United Nations entities have long-standing organizational structures for dealing with the private sector, which continue to evolve in response to changing needs. ILO has worked with employers' organizations for many years in all its areas of activity. In 2001, it established a new Management and Corporate Citizenship programme, within its Job Creation and Enterprise Department. Activities will include management development and productivity, responsible enterprise restructuring and privatization, supply chain management, voluntary private initiatives and the Business and Social Initiatives database. UNIDO also has a long history of cooperation with the private sector. In 1998 it established a new Partnership Programme, working with large companies and other partners, to support development of small and medium-sized enterprises. The UNEP Technology, Industry and Economics Division was established in 1985 and has cooperated closely with business from the outset. The FAO Investment Centre and Technical Cooperation Programme has long-standing links with the private sector and set up a unit for cooperation with the private sector and non-governmental organizations in 1995. The UNICEF Private Sector Division was reorganized in 1996 to manage relationships with all private sector partners and has developed a rigorous process of "due diligence" over that period to facilitate the organization's consideration of corporate alliances.

96. While it is important to have focal points for partnerships within the United Nations system, it is equally important that expertise in building partnerships with non-state actors is not confined to a single department or unit, but is mainstreamed throughout the United Nations system as a core way of operating. Over the past five years there have been efforts to build internal management skills for effective cooperation with the private sector. One initiative has been the Partners in Action programme run by the United Nations Staff College, with support from the United Nations Foundation and the Prince of Wales International Business Leaders Forum. The purpose of the programme has been to build the commitment and capacity of United Nations bodies and business to work together and to be able to implement effective partnerships. Based on the evaluation of initial pilot courses, the United Nations Security Council has established a Global Learning Network on Partnerships, which will run training workshops and United Nations-business round tables at the country level, as well as policy workshops and awareness programmes.

97. An increased focus is being placed on efforts to evaluate prospective partners at the outset of a cooperative initiative and to assess the impacts and development benefits of those initiatives once they have been established. An internal working group of six funds, programmes and agencies is sharing experience and methodologies on ways to improve the quality of and access to public information on prospective partners. The World Bank's Operations and Evaluation Department is developing methodologies to assess the contribution of partnerships to development. In that context, it recently hosted an international conference attended by other entities of the United Nations system, the private sector, non-governmental organizations and academia to share good practices on the partnership dimension of evaluation and development.

## C. Involving the private sector from developing countries

98. A key challenge for the United Nations system in developing partnerships with the private sector is to ensure that they adequately reflect the Organization's

membership. This calls for increased involvement of companies, business associations and corporate foundations from developing countries and countries with economies in transition, both in policy dialogue and operational partnerships at the national and international levels.

99. In a growing number of countries, national business associations participate in frameworks established by their Governments to consult on or implement international agreements and United Nations goals at the national level. Examples include the involvement of the domestic private sector in national commissions on sustainable development and in the multi-stakeholder dialogues that are being convened in a number of countries to ensure broad-based participation and a partnership-orientation in the development and implementation of poverty reduction strategies. The domestic private sector in some developing countries is also playing a more active role, often as part of a multi-stakeholder dialogue process, in providing policy input to their Governments in preparation for United Nations conferences.

100. Efforts are needed not only to build capacity in developing countries, but also to identify and learn from the partnership initiatives that are already being undertaken by domestic companies and business associations, and to share those leadership examples, especially on a South-South basis. International and regional business associations have an important role to play in supporting this process, working with their national-level counterparts and United Nations bodies, including resident coordinators. The profile in box 2 illustrates the efforts in this area by the International Chamber of Commerce and the International Organization of Employers. The Chamber of Commerce and Industry of the Group of 77 is another association that has a potentially important role to play in this area.

101. Other examples are service organizations such as Rotary International, Zonta International, Soroptimist International, and the International Federation of Business and Professional Women. These are composed largely of individual business and professional leaders, with an active membership in many developing countries. Rotary International, for example, is composed of some 1.2 million business people and professionals in over 29,000 local Rotary Clubs in 163 countries and Soroptimist International, a worldwide organization of women in business, management and the professions, has a membership of over 95,000 in some 120 countries. These organizations work closely with the United Nations at the global policy level and on local capacity-building activities through their extensive networks.

102. The World Business Council for Sustainable Development, which grew out of an organization established at the invitation of the United Nations to provide private sector input to the 1992 United Nations Conference on Environment and Development, also maintains active engagement with companies, business associations and Governments in developing and transition economies. In January 2001, the Council had over 150 member companies from 31 countries, of which 14 were developing or transition economies. A network consisting of national or regional business associations in over 20 such economies adds further depth and outreach capacity to encourage business leadership in sustainable development. The Prince of Wales International Business Leaders Forum focuses almost all its activities in over 40 developing countries and countries with economies in transition, working with its member companies, Governments and local partners. It

has collaborated with United Nations bodies to build capacity for cross-sector partnerships to address development issues such as human resource development, HIV/AIDS, the digital divide, conflict prevention and resolution, human rights, poverty eradication and corporate governance. The Global Business Council on HIV/AIDS is another body that has been working with UNAIDS, UNDP and others to build capacity for collective business action to address HIV/AIDS in Africa, Asia and Latin America.

103. A number of trade and industry associations are also working with the United Nations to build capacity in developing countries. A profile of one such partnership between the International Petroleum Industry Environmental Conservation Association and the IMO is provided in annex II.H. Other examples include the soil fertility initiative launched at the World Food Summit in 1996 between FAO and the fertilizer industry and the International Federation of Pharmaceutical Manufacturers Associations' involvement in several global health partnerships, with WHO, UNICEF, the World Bank and others.

104. Apart from the work of business associations, many United Nations programmes have a focus on involving private sector organizations from developing countries. The Global Compact is one example. The UNCTAD/UNDP Empretec and Enterprise Africa initiatives, the UNEP/UNIDO cleaner production centres, and initiatives such as Local Agenda 21 and the Cities Alliance are other examples that involve local partners in project design, implementation and governance (see annex II.H).

105. Despite progress, more needs to be done to increase the involvement and build the partnership and management capacity of business associations, corporate foundations and enterprises, including small and medium-sized enterprises, from developing and transition economies. Increased support is needed for national and regional workshops, action research programmes to learn from existing good practices, study visits and exchanges and public-private sector dialogues around critical development issues. This is an area where United Nations bodies can work more closely with national, regional, international and sector-based business associations and with individual companies, both domestic and foreign, that have operations in developing and transition economies.

## VI. Implementing the Millennium Declaration through cooperation

106. The Millennium Declaration is one of the most significant United Nations documents of recent time. It offers a common vision and commitment from Member States, an integrated and holistic framework for addressing the goals of the United Nations system and a clear mandate to develop partnerships with the private sector, non-governmental organizations and civil society in general. Most existing partnerships between the United Nations, the private sector and other non-state actors are in the areas of development and poverty eradication and protecting the common human environment. There are a growing number of cooperative initiatives, however, supporting the other commitments of the Millennium Declaration. The present report gives a few examples of the variety of those partnerships at the global, national and local levels (see annex II). The section below

offers a brief summary of the potential role that the private sector can play in cooperation with the United Nations system and other development actors.

*Peace, security and disarmament*

107. Continued efforts are needed to ensure that businesses do not contribute to economies that support conflict and do not break United Nations sanctions. Multi-stakeholder dialogue is also valuable in ensuring more transparent, accountable and equitable development of strategic natural resources. There is growing corporate cooperation with Governments and intergovernmental organizations to tackle the corruption that is often a feature of conflict situations. Initiatives are under way to encourage companies to adopt guidelines when using public and private security forces to protect their assets and employees in conflict situations. The private sector can play a role in supporting mine clearance and disaster relief efforts, and in post-conflict reconciliation and reconstruction efforts, especially job-creation opportunities for ex-combatants and other vulnerable communities, infrastructure development, private sector support for "weapons-for-development" exchanges and community development initiatives.

*Development and poverty eradication*

108. Through responsible trade and investment, innovative philanthropic programmes and engagement in policy dialogue, the private sector can play a role in supporting development and poverty eradication and in helping Governments to meet the development targets of the Millennium Declaration. There is a growing body of experience and lessons on what works and what does not in that area, which can be used to enhance cooperation. Key areas for action include collaboration on the development of a dynamic domestic private sector, especially small and medium-sized companies and microenterprises, and efforts to mobilize foreign investment that is socially and environmentally responsible. The business community can make a valuable contribution to human resource development through its support of training, education and health programmes, in the workplace and more widely. There is a potential role for all major employers and investors, not only the pharmaceutical companies, in helping to combat HIV/AIDS and tackle global health issues. More companies are helping to create opportunities for the young, through supporting education and youth development initiatives. Information and technology companies, as well as companies in other industry sectors, have a role to play in helping to bridge the "digital divide". Building healthy and sustainable cities, establishing physical and institutional infrastructure and investing in agriculture and rural development are all challenges that cannot be addressed without greater cooperation between the public and private sectors and civil society. The business community can also work with other development actors to support the empowerment of women, especially in terms of their economic empowerment as entrepreneurs and producers and their access to reproductive health services.

*Protecting our common environment*

109. This has been an area of increased cooperation, innovation and dialogue between the United Nations and the private sector, especially since the United Nations Conference on Environment and Development in 1992. There are joint efforts under way to address global climate change and ozone depletion, promote cleaner production and eco-efficiency, develop and transfer environmentally sound

technologies, support conservation and biodiversity, tackle the unsustainable use of water and encourage renewable energy. Cooperative initiatives are also supporting capacity-building along global supply chains and in developing and transition economies. Some of those initiatives are focused on harnessing the power of the market to promote sustainable development, others on developing voluntary standards for corporate environmental management and others on creating regulatory frameworks and establishing joint public-private funding mechanisms.

*Human rights, democracy and good governance*

110. These issues have become increasingly important for business, especially multinational companies, over the past 10 years. Some companies face growing pressure from activists and consumers to demonstrate that they are not directly responsible for, or complicit in, human rights abuses. The oil, gas and mining sector and the retail sector, which sources from subcontractors in developing countries, have been the major targets of activism. A small number of them are starting to address human rights issues systematically within their own operations and supply chains. Some business associations and companies are also starting to develop partnerships with non-governmental organizations, trade unions, Governments, national human rights institutions, United Nations entities and other development agencies in areas related to human rights, including labour rights. Private sector organizations are also engaging more proactively with Governments, United Nations entities, and non-governmental organizations on efforts to support voter education, ensure a free and independent media, tackle bribery and corruption and promote good governance, all at both the corporate and the national level.

*Protecting the vulnerable*

111. Apart from the commercial provision of goods and services in relief and rehabilitation operations, the private sector has had less of a direct role to play in protecting the vulnerable. A number of companies and corporate foundations, however, are becoming more systematic and strategic in supporting humanitarian activities through their philanthropic and volunteering activities. Examples where this is happening include assistance in the provision and effective use of information technology to reduce the burdens of complex emergencies and donations of medical supplies, although the latter have not been without problems. Media companies and others are also helping to raise public awareness on refugee and other humanitarian issues and there are examples of the private sector supporting the construction of refugee camps and medical centres.

*Meeting the special needs of Africa*

112. The international business community has a role to play in increasing investment in Africa and supporting the development of domestic private sectors, with a focus on microenterprises, small and medium-sized companies and the economic empowerment of African women. Another important issue for consideration is enhancing the social, economic and environmental multipliers from private investment in Africa. Resource-based companies, which are major investors in the continent, are starting to work with Governments, the United Nations system and civil society to ensure that the revenues from resource exploitation do not create conflict and that they reach as many African citizens as possible. The business community can also help to address the issues of the digital divide, which are more

serious in Africa than elsewhere, and some of the major socio-economic and environmental challenges facing the continent, in particular HIV/AIDS, access to education and health care, sustainable rural development, renewable energy projects and water use.

## VII. Conclusions and recommendations

113. In accordance with resolution 55/215, the present report has aimed to provide a comprehensive review of cooperation between the United Nations and all relevant partners, in particular the private sector.

114. The number, diversity and influence of non-state actors has grown dramatically over the past 10 years. They are now engaged to an unprecedented degree in most areas of United Nations endeavour and in most United Nations activities, ranging from policy dialogue, standard-setting and normative work to operational activities, advocacy and information work. That engagement offers opportunities for increased effectiveness. It also creates some strategic and practical challenges.

115. The overriding purpose of cooperation between the United Nations and non-state actors should be to enable the Organization to serve Member States and their peoples more effectively, while remaining true to the principles of the Charter. Cooperation should be regularly assessed against those objectives. As such, cooperation should be viewed as a means of achieving United Nations goals and enhancing performance, not as an end in itself.

116. The diversity of relationships between the United Nations and non-state actors is such that it is not possible to adopt a "one-size-fits-all" institutional approach for dealing with all types of cooperation, at all levels of the system. That diversity reflects both the different mandates and modi operandi of United Nations entities, as well as the varied scope and nature of the issues that those relationships have been established to address. It also reflects the diversity of non-state actors themselves, both civil society organizations and the private sector. Although all business enterprises share some common characteristics, different industry sectors have different impacts on development, different challenges to be addressed and different contributions to make.

117. The potential private sector contribution to development is multifaceted and needs to be harnessed in a focused and effective manner. The greatest contribution that domestic and foreign companies can make to support the goals of the Millennium Declaration is through private investment and through concerted and transparent efforts to ensure that the economic, social and environmental impacts of that investment are positive. Philanthropic donations of funds, products and volunteers can make an important contribution, but cooperation with the private sector should also focus on mobilizing the core competencies, comparative advantages and investment expertise of the private sector through its mainstream business operations and its engagement in public policy dialogue.

118. Over the past 50 years the United Nations has developed guidelines, selection criteria and operational procedures for managing procurement contracts, accepting philanthropic donations, implementing joint agreements and facilitating participation of non-state actors in intergovernmental processes. Over the past year, further steps have been taken in developing guidelines for cooperation with the

business community that offer a tool for safeguarding the integrity and independence of the United Nations, while preserving the necessary degree of flexibility to encourage successful innovation. As part of that process, the Global Compact is emerging as an overall value framework for cooperation with the business community. The principles of the Compact are based on intergovernmental agreements and at the same time are relevant for business. As such, they offer a useful point of reference for good corporate citizenship when choosing business partners.

119. The growing cooperation with non-state actors does not, and should not, replace the central role and responsibility of Governments in national and international policy-making and in ensuring the security and progress of their citizens. Governments must continue to play the leadership role in setting goals and agreeing on global and national frameworks. Non-state actors can provide valuable input into that process and can also play a role in ensuring effective implementation. The resources that they can contribute, however, in terms of expertise, funding and technology, should be a complement to governmental resources, not a substitute.

*Building internal capacity and coherence*

120. The Secretariat is committed to addressing the internal skills, information and capacity "gaps" that have been identified through existing experience in United Nations cooperation with non-state actors and through consultations undertaken for the present report and others. To that end, the Secretariat will establish a working group to consider measures to enhance coherence and capacity in this area, including the development of an inter-agency network of private sector focal points, aimed at improving internal learning, information-sharing and outreach capacities.

*Ways and means to enhance cooperation*

121. As outlined above, cooperation with non-state actors should be viewed as a means for realizing the goals of the United Nations, not as an end in itself. In that context, Member States may wish to consider the most effective ways and means to enhance the specific contributions that these actors, including the private sector, can make to supporting the key areas outlined in the Millennium Declaration. This could include a review of the fiscal and legislative options for creating a beneficial enabling environment for encouraging corporate citizenship activities and enhancing corporate and individual philanthropic contributions. The agreed conclusions of the coordination segment of the substantive session of 2001 of the Economic and Social Council defined corporate citizenship as bringing social values and responsibilities to bear on a conduct and policy premised on profit incentives, in conformity with national laws and regulations. Member States may also wish to examine the possibility of creating a multi-stakeholder forum for periodic exchange of experiences and ideas on cooperation.

*Involving developing country organizations in partnership initiatives*

122. Special efforts are needed to ensure that cooperation with the business community and other non-state actors adequately reflects the Organization's membership and pays particular attention to the needs and priorities of developing countries and countries with economies in transition. To that end, increased efforts will be placed on building the partnership capacity of domestic enterprises,

especially small and medium-sized enterprises, business associations, foundations and non-governmental organizations in those countries and on promoting institutional cooperation between those bodies and their counterparts in developed countries.

123. Member States may wish to consider ways in which they can support that process. In particular, they may wish to consider measures to encourage partnership arrangements among chambers of commerce and other business organizations in developed and developing countries. Such arrangements could be aimed at spreading good practices, including training in technical skills and know-how, the use of new management tools and the adoption of good corporate citizenship principles in business activities around the globe. Such partnerships and activities have the potential to play an important role in ensuring that the benefits and costs of globalization are more equally shared and that globalization becomes a positive force for all the world's people.

# Annex I

## Defining the private sector

1. For the purpose of the present report, the private sector is defined as all individual, for-profit, commercial enterprises or businesses, business associations and coalitions and corporate philanthropic foundations.

### 1. Individual, for-profit, commercial enterprises or businesses

2. These include multinational companies and large national companies (where the State is not the majority owner), as well as cooperatives, small and medium-sized enterprises and micro-enterprises. All produce goods and services and aim to make a profit, although their ownership structures, values and distribution of profits may vary markedly.

### 2. Business associations and coalitions

3. These include representative, membership-based bodies, such as trade and industry associations, chambers of commerce and organizations of employers (that may have local, national and international structures). Some of them have been cooperating closely with the United Nations on a wide range of issues for over 50 years. Examples include the International Chamber of Commerce, established in 1919, the International Organisation of Employers, established in 1920, and the International Federation of Business and Professional Women, established in 1930, all of which have general consultative status with the Economic and Social Council. Business associations representing small and medium-sized enterprises also have consultative status with the Council. These include the World Assembly of Small and Medium Enterprises and the International Association of Crafts and Small and Medium-Sized Enterprises. Regional and international trade and industry associations also interact with the United Nations system. Those in consultative status with the Economic and Social Council include the International Council of Chemical Associations, the International Air Transport Association, the International Federation of Pharmaceutical Manufacturers Associations, the World Energy Council, the World Coal Institute and the International Fertilizer Association. Business associations and coalitions also include those which have been established with the specific purpose of advocating good corporate citizenship and mobilizing private sector leadership and resources to address wider societal and environmental issues as they relate to business. Examples of the latter include:

(a) *Cross-industry, multi-issue groups*, such as the World Business Council for Sustainable Development, the Prince of Wales International Business Leaders Forum, Business for Social Responsibility and CSR Europe, plus growing numbers of similar business coalitions at the national level, supported by domestic companies in all regions of the world;

(b) *Cross-industry, issue-specific groups*, such as the Global Business Council for HIV/AIDS and its national-level equivalents;

(c) *Industry-focused initiatives*, such as the International Petroleum Industry Environmental Conservation Association, the International Hotels Environment Initiative and the International Council on Metals and the Environment.

4. There are a variety of international and national service organizations that are supported by individual business and professional leaders. Although not strictly business associations or coalitions in the sense of pursuing direct private sector interests or mobilizing companies to address corporate social and environmental impacts, such organizations draw heavily on private sector management skills, technical expertise, networks, funds and products to support development and humanitarian causes. They include organizations such as Rotary International, Soroptimist International, United Way International, Junior Chamber International, Zonta International, the Baha'i European Business Forum and Lions International.

### 3. Corporate philanthropic foundations

5. These are directly funded and/or governed by business. There are over 2,000 corporate foundations in the United States of America alone, with growing numbers in Europe, Japan and a variety of developing countries. Although commercial success has been a key factor in the establishment of many independent or family foundations, such as the Ford, Rockefeller and

Hewlett Foundations, and more recently the Bill and Melinda Gates Foundation and the United Nations Foundation, these are not defined as the private sector in the present report. Such foundations operate completely independently of the governance structure of any corporation and have clearly stated not-for-profit, public-purpose values and policies.

# Annex II

## Examples of cooperation between the United Nations and all relevant partners, in particular the private sector

### A. Global public policy networks

#### 1. Consultative Group on International Agricultural Research

1. The Consultative Group on International Agricultural Research (CGIAR) is one of the longest-standing partnership networks in the United Nations system. Established in 1971, CGIAR is an informal association consisting of 58 public and private sector members that supports a network of 16 international agricultural research centres, located mostly in developing countries. The World Bank, the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Development Programme (UNDP) are co-sponsors of CGIAR, whose mission is to contribute to food security and the eradication of poverty in developing countries through research, partnership, capacity-building and policy support. It focuses on five strategic areas: increasing productivity; protecting the environment; saving biodiversity; improving policies; and strengthening national research. The CGIAR system works as a network that consists of the Consultative Group (the Chair, co-sponsors and members, which are Governments, private foundations and international and regional bodies); CGIAR standing committees; a technical advisory committee; an impact assessment and evaluation group; international agricultural research centres; and a small secretariat. The centres are autonomous institutions, with their own charter and boards of trustees drawn from the public, private and scientific communities.

#### 2. Global Alliance for Vaccines and Immunization

2. The Global Alliance for Vaccines and Immunization was officially launched in early 2000 at the World Economic Forum in Davos, Switzerland, with the mission of combining public and private resources and competencies. The Alliance was created to address flagging interest and to increase support for immunization activities. Since 1999 the Alliance has provided a mechanism for its partners to collaborate more closely, agree upon common goals and strategies and share a commitment to do more for immunization. The Alliance has also forged a working relationship with old and new partners and public and private sectors. It is a coalition of Governments, United Nations entities such as the World Health Organization (WHO), the United Nations Children's Fund (UNICEF) and the World Bank, philanthropic foundations such as the Bill and Melinda Gates and Rockefeller Foundations, the International Federation of Pharmaceutical Manufacturers Associations and technical and research institutes. The pharmaceutical industry's participation as a full partner is an innovation. The Board of the Initiative consists of representatives of all partners and task forces have been established to address research and development (co-chaired by WHO, academia and industry); advocacy (chaired by UNICEF); country coordination (chaired by WHO); and financing (chaired by the World Bank). The partners have agreed upon five strategic objectives with clear and specific targets.

#### 3. World Commission on Dams

3. In April 1997, the World Conservation Union (IUCN) and the World Bank hosted a multi-stakeholder workshop on the future of large dams. Participants agreed to set up an independent World Commission on Dams (WCD), composed of 12 eminent persons reflecting different perspectives in the large dam debate, with a two-year mandate. The mandate was to undertake a global review of the development effectiveness of large dams, assess alternatives and propose criteria and guidelines for planning, designing, constructing, operating, monitoring and decommissioning dams. Financial support for WCD was received from 51 contributors, including Governments, international agencies, the private sector, foundations and non-governmental organizations. Public input and access to the Commission was a key component of the WCD process. A forum of pro- and anti-dam interests drawn from 68 institutions in 36 countries acted as a sounding board and intermediary for the work of the Commission. Apart from input from the forum, the commissioners were provided with 10 case studies in 5 regions; 17 thematic reviews by 130 writers in 25 countries; cross-check surveys of 150 dams in 56 countries; input from 4 regional

consultations, with 1,400 participants from 56 countries; and over 800 submissions from 79 countries. Their final report, *Dams and Development*, was issued in November 2000. Its recommendations are being reviewed by United Nations entities and development banks with a view to follow-up action. Three non-governmental organizations based in India, the United Republic of Tanzania and the United States of America are undertaking an independent assessment of the WCD process in terms of its effectiveness as an experiment in global public policy-making.

## B. Voluntary standard initiatives on sustainable development

4. The Commission on Sustainable Development and the Division of Technology, Industry and Economics of the United Nations Environment Programme (UNEP) have played a key role over the past 10 years in convening or supporting industry sector initiatives in the area of sustainable development. This section examines a few examples of the Division's cooperation with industry associations and individual companies in developing voluntary standards, good practice guidelines, research and management capacity.

### 1. Global Reporting Initiative

5. The Global Reporting Initiative is developing into a useful framework for enhancing corporate responsibility and accountability. It was convened in 1997 by UNEP and the Coalition for Environmentally Responsible Economies and it is supported by the United Nations Foundation and the private sector. The mission of the Initiative is to develop globally applicable guidelines for reporting on the economic, social and environmental performance initially of corporations, but eventually for any business, governmental or non-governmental organization. Its governance model incorporates the participation of companies, business associations, accountancy firms, non-governmental organizations, human rights and labour organizations, with a steering committee of 17 such organizations. More than 1,500 participants from over 50 countries and representing hundreds of organizations have been involved in consultations of the Initiative. Through this process of consultation it has produced sustainability reporting guidelines, which are being pilot-tested in a variety of industries and countries, including developing countries. An area of future focus will be the development of sector-specific guidelines.

### 2. Financial institution initiatives

6. In 1992 a partnership between UNEP and the banking sector was established, followed by another in 1995 with insurance companies and pension funds, both based on companies signing a set of guidelines. In 2000 some 260 signatories in the banking, insurance and fund management sectors in 51 nations were engaged in the two initiatives. They are governed by steering committees elected by the participants on an annual basis, supported by a small secretariat in UNEP and linked through a series of working groups and joint conferences. Their mission is to enhance the capacities of banks, insurers, re-insurers, pension funds, investment firms and the financial sector as a whole in integrating environmental and sustainability considerations into all their policies and business operations.

### 3. Tour Operators Initiative for Sustainable Tourism Development

7. As the largest industry in the world, tourism makes a significant contribution to economic development. The industry also makes major demands on natural resources and creates significant environmental and social impacts, often in places where resources are vulnerable or scarce. In 2000, in cooperation with the United Nations Educational, Scientific and Cultural Organization and the World Tourism Organization, UNEP launched the Tour Operators Initiative for Sustainable Tourism Development. Signed by 20 major tour operators, the voluntary initiative aims to facilitate a partnership network between key tourism actors of all sizes and from all countries and to act as a platform for sharing lessons and experiences, undertaking research, developing ideas and practical projects to achieve sustainable tourism.

### 4. Global Information and Communications Technology Sustainability Initiative

8. The Global Information and Communications Technology Sustainability Initiative was launched by UNEP and the International Telecommunication Union in June 2001, with the European Network Operators Association and nine major companies from Europe

and North America as founding members. The initiative will focus on outreach activities to information and communication technology companies across the globe, the development of industry specific accountability and sustainability indicators, support for relevant partnership initiatives and research, benchmarking and information-sharing.

### 5. Offshore Oil and Gas Environment Forum

9. The International Association of Oil and Gas Producers have joined UNEP, the United Nations Conference on Trade and Development (UNCTAD), the World-Wide Fund for Nature and two Governments to launch and operate an Internet-based global information system, the Offshore Oil and Gas Environment Forum. This is operated by UNEP and is designed to provide a guide to environmental information sources of relevance to the offshore oil and gas sector. UNEP and UNCTAD support a similar initiative for the mining industry called the Mineral Resources Forum.

## C. Advocacy and fund-raising partnerships

### 1. National committees of the United Nations Children's Fund

10. UNICEF is supported by 37 national committees in industrialized countries that work alongside the organization to work on behalf of children and to raise funds for programme activities. Fifteen priority UNICEF field offices also engage in fund-raising at the national level. Since the first national committees were established in the late 1940s, UNICEF has been mobilizing advocacy support and funds from the private sector, which for UNICEF includes individuals, corporations, foundations and non-governmental organizations. The UNICEF Greeting Card Programme, started in 1949, has resulted in sales totalling more than $1 billion. Other initiatives soon followed, such as the signature Trick or Treat for UNICEF programme, which celebrates its fiftieth anniversary on 31 October 2001; appeals to the public for financial support; and special appeals to major donors for bequests and planned gifts. One of the Fund's most successful awareness and fund-raising initiatives with the private sector has been its signature service programme Change for Good®, which collects foreign currency from airline passengers. Begun in 1987 and currently run by 13 airlines on some or all routes, it has generated $31 million for UNICEF since 1991. British Airways has been responsible for raising more than half that amount. Check Out for Children™ is an alliance of UNICEF and Starwood Hotels and Resorts Worldwide that invites hotel guests to donate $1 or the equivalent in local currency to UNICEF. Begun in 1995, the alliance has raised over $5 million for UNICEF.

### 2. Netaid

11. Netaid offers a useful example of a partnership mechanism that raises awareness and mobilizes resources from the private sector, foundations and individuals from around the world without the need to create a new bureaucratic structure. It operates as an online community, with the mission of informing people about poverty issues and empowering them to take action on those issues through online volunteering or donations. It aspires to make the Internet a major catalyst for efforts to tackle extreme poverty worldwide. One of the key elements of this is the ability to link volunteers and donors directly with the people and projects they are interested in supporting, building personal relationships and a sense of global solidarity. The initiative was launched as a collaboration between UNDP and Cisco Systems, building on the momentum created by three concerts in Geneva, London and New York in 1999, which attracted over 100,000 people and some 2.4 million others via live webcasts. In its early months, the Netaid web site received more than 40 million hits from 160 countries, signalling a powerful momentum for online action against poverty. Current online activities range from an initiative called "Say Yes for Children" where people can voice their support for children's rights, to programmes that donate kits for mother and baby survival in Rwanda and for basic learning skills in Peru. One hundred per cent of the donations made online go to the projects that donors have selected. Netaid's own operating costs are met by partner organizations, such as UNDP, Cisco Systems, UNICEF and the United Nations University (UNU), together with an endowment from the Listwin Family Foundation. Governance is via the Netaid Foundation, a United States-based non-profit organization that manages the partnerships and oversees the quality and integrity of the activities implemented through the alliances. A board of directors governs the Foundation itself and is composed of experts from the international

development community, the information and communication technology industry and eminent individuals in the arts.

## D. Partnerships to facilitate private investment

### 1. Money Matters Initiative

12. The Money Matters Initiative was launched at the World Summit for Social Development in Copenhagen in 1995 by the World Times Inc., with support from UNDP and the World Bank in cooperation with representatives from the financial and business communities. It focuses on the following topics and activities:

(a) Financial innovation to enhance the use of private capital for sustainable human development;

(b) Strengthening the capacity in developing countries needed to attract and retain private capital and to channel it into development;

(c) Preparation of the Wealth of Nations Triangle Index, utilizing 63 variables, equally divided among economic, social and information exchange indicators, to benchmark 40 emerging economies.

13. Since 1995, the Money Matters Initiative has held a series of global and regional meetings co-sponsored by UNDP and private corporations such as State Street Bank, Fidelity Investment and Arthur Andersen. Most recently, the Initiative has been engaged in supporting the preparation of the International Conference on Financing for Development, to be held in Monterrey, Mexico, in 2002.

### 2. Public-Private Infrastructure Advisory Facility

14. The Public-Private Infrastructure Advisory Facility is a multi-donor technical assistance facility aimed at helping developing countries to improve the quality of their infrastructure through private sector involvement. Launched in 1999, partners include UNDP and the World Bank, together with the Governments of Canada, France, Germany, Japan, Norway, Sweden, Switzerland and the United Kingdom. The Facility provides technical assistance to Governments on strategies and measures to tap the full potential of private involvement in infrastructure and it identifies and shares best practices. A key element of the initiative is its focus on the ways in which private involvement in infrastructure can contribute to poverty alleviation and sustainable development.

### 3. MicroStart

15. The MicroStart programme is a global pilot initiative that aims to identify and build a new generation of micro-finance institutions that have transparent track records and solid institutional and financial performance, which will enable them to provide credit and savings services to poor people, especially women. Managed by UNDP, the programme is covering 25 countries in its initial phase and aims to work with the private sector wherever possible. At the global level, for example, the Citicorp Foundation provided support for the publication of the MicroStart Guide, which has been translated into five languages. At the country level efforts are being made to include private sector representatives on local MicroStart advisory boards and to work with private sector banks as partners in the provision of financial services. Established micro-finance institutions and consulting firms also play a role in the programme as technical service providers, selected on a global basis.

### 4. Public-Private Partnerships for the Urban Environment

16. Public-Private Partnerships for the Urban Environment is a global network coordinated by a small management team within UNDP and supported by bilateral donors, the Public-Private Infrastructure Advisory Facility, Yale University, the World Business Council for Sustainable Development, the International Development Research Centre, and the urban management programme of Latin America. It focuses on identifying and creating concrete business opportunities and helping to mobilize funding to address problems of the urban environment.

### 5. Public-private environmental funds

17. The International Finance Corporation, in collaboration with UNDP, UNEP, UNCTAD, donor Governments and others, including foundations, has played a key role in accelerating market acceptance of technologies and products that benefit the environment in developing countries. Drawing on its own investment resources and where appropriate concessional funds from sources such as the Global Environment Facility and private foundations, the IFC has provided finance and technical assistance to

environmental enterprises in developing countries. Examples of public-private investment funds in this area include the Terra Capital Fund, supporting biodiversity-related projects in Latin America, the global Renewable Energy and Energy Efficiency Fund and the Solar Development Group, which originates from a partnership between the World Bank Group and a group of private foundations and which increases the delivery of solar home systems to rural households in developing countries by providing financing and business development advice to local enterprises.

## E. Global knowledge and learning networks

### 1. Business Partners for Development

18. Business Partners for Development is a project-based, global learning network that studies, supports and promotes strategic examples of partnerships involving business, civil society and government working together for the development of communities around the world. The initiative is based on 30 "focus projects" in 20 countries, grouped into thematic or sector "clusters". The focus projects offer practical experience on building tri-sector partnerships that is used as a basis for shared learning on how to create the greatest impacts for all partners, while meeting a country's or community's development needs. Over the course of the initiative more than 120 companies, civil society organizations and government agencies have participated in the following five clusters. The participants in each cluster designed their own specific objectives and vision within the overall goals and framework of Business Partners for Development:

(a) *Natural Resources (oil, gas and mining companies).* To develop guidelines/systems/structures to deal with community issues and mitigate risk by optimizing development impact on host communities through partnerships;

(b) *Water and Sanitation.* To identify specific lessons learned about partnerships from existing projects that are providing responsive and affordable water services to urban poor and to demonstrate that such projects can be replicated and scaled up to the national and regional levels;

(c) *Global Partnership for Youth Development.* To identify and share what works in building successful partnerships for youth and to create or work through existing structures to mobilize significant new resources to strengthen and scale up best practices in youth development;

(d) *Global Road Safety Partnership.* To reduce deaths, injuries, disabilities and associated social costs of road accidents through collaboration and coordination of road safety activities;

(e) *The Knowledge Resource Group.* To coordinate lessons learned on tri-sector partnerships from all clusters.

19. Results and lessons from Business Partners for Development's focus projects are being shared through an extensive programme of project- and cluster-specific as well as cross-cutting workshops, study visits, training and research. The 30 focus projects have an aggregated budget of $47.6 million, which is provided by a combination of financial and in-kind contributions from private sector partners, foundations and Governments, as well as the World Bank Group through grants, trust funds, adaptable lending instruments and in a few cases loans.

### 2. Global Water Partnership

20. The Global Water Partnership is an international network of organizations and institutions involved in water management — States, government agencies, regional and local government institutions, training and research institutes, companies, business associations, non-governmental organizations and bilateral and multilateral development agencies, including UNDP and the World Bank. Its aim is to share experience, encourage debate and support national and regional action in the sustainable and integrated management of water resources. It serves as a mechanism not only for information exchange, but also alliance-building. Since its inception the Global Water Partnership has built up a network of regional technical committees that play a critical role in promoting multi-stakeholder dialogue and developing action plans.

### 3. Global Development Network

21. The Global Development Network is a policy research partnership designed to generate, share and apply development knowledge and to build research capacity in developing countries. The Network was launched in 1999 by the World Bank in cooperation with other United Nations entities, bilateral donors, a group of regional research networks and other

institutions such as the Centre for International Private Enterprise, Freedom House and the Secretariat for Institutional Support for Economic Research in Africa. Operating as a network of research institutes and think tanks, the Global Development Network has recently been incorporated as a non-profit organization.

#### 4. Global Knowledge Partnership

22. The Global Knowledge Partnership is an evolving, informal network of some 70 public, private and not-for-profit organizations, including 10 United Nations entities. The Partnership is committed to sharing information, experiences and resources to promote broad access to and effective use of knowledge and information as tools for sustainable, equitable development. Partners cooperate in a variety of initiatives, ranging from pilot projects to conferences, workshops and capacity-building activities.

## F. Operational delivery partnerships

#### 1. First on the Ground Initiative

23. This is an operational partnership between the Office for the Coordination of Humanitarian Affairs, on behalf of the United Nations system, and Ericsson, with the aim of including other companies and partners over time. The First on the Ground Initiative is a response to the fact that in emergency conditions communications networks are frequently among the first vital systems to be damaged, rendering it difficult for rescue missions and relief operations to function effectively. The initiative is designed as an in-kind contribution of mobile communications equipment and the provision of Ericsson response volunteers in United Nations relief operations, especially United Nations Disaster Assessment Coordination activities. Technical discussions are also taking place between experts of the United Nations Working Group on Emergency Telecommunications and Ericsson personnel. The partnership has included cross-training of staff from both the company and the United Nations.

#### 2. Refugee Registration Project

24. This is an operational partnership between the Office of the United Nations High Commissioner for Refugees (UNHCR) and Microsoft and other companies, with the aim of developing refugee registration kits. In response to the Kosovo crisis in 1999, a group of volunteers from Microsoft worked with UNHCR and colleagues at Compaq, Hewlett-Packard, Canon, Kingston Technology, Securit World Ltd. and ScreenCheck B.V., with support from the Bill and Melinda Gates Foundation, to design and deploy a refugee registration system. Over 13,000 identification cards were issued within a few months. Some 470,000 people have now been registered and listed in two refugee data centres in Skopje and Tirana. Microsoft and UNHCR have further developed the technology, resulting in Refugee Kit 2000, which is now being used in Asia and Africa.

#### 3. Asia-Pacific Development Information Programme

25. This is an initiative developed and funded by UNDP and implemented by the United Nations Office for Project Services (UNOPS) in partnership with Governments, the private sector and civil society in 42 countries in Asia and the Pacific. It aims to promote and establish information technology as a tool for development through an integrated programme of capacity-building, technical assistance and research and development. One example of its work is a partnership with Cisco Systems to establish networking academies in Bangladesh, Bhutan, Cambodia, Fiji, India, Mongolia, Nepal, Papua New Guinea and Sri Lanka, aimed at offering training and livelihood opportunities in the information technology field.

#### 4. Tackling AIDS in Africa

26. In June 2001, the Joint United Nations Programme on HIV/AIDS (UNAIDS) announced a partnership with the Coca-Cola Africa Foundation, to help coordinate local support for AIDS programmes in Africa through the Coca-Cola system. This system includes not only the Coca-Cola company itself but also local bottling partners and is cited as the largest private sector employer in Africa. The partnership will have three core components:

(a) Coca-Cola will provide logistical support, with its wide presence across Africa, to support ongoing HIV/AIDS activities being managed by other actors. The company will contribute to activities already identified and highlighted as being national priorities, rather than reinvent new ones. In Nigeria, for example, the Coca-Cola system will provide marketing support, assist in the printing and distribution of 10,000

pamphlets, provide expertise in logistics and help distribute testing kits in all of the Nigerian states;

(b) Coca-Cola Africa will provide marketing expertise to develop public awareness and information campaigns for UNAIDS and other partners across Africa;

(c) The Coca-Cola system will develop and implement human resource policies and practices for its own employees, consistent with local laws.

### 5. United Nations International Short-Term Advisory Resources

27. Established in 1985, the United Nations International Short-Term Advisory Resources is a field-driven partnership between the United Nations system and the private sector, managed by UNV. The programme assigns experienced advisers from business as volunteers for short periods to assist businesses, industry associations and Governments in developing and transition economies. Its activities are supported by a number of Governments, volunteer-sending agencies and private companies. The Governments usually cover mission travel costs, the volunteer-sending agencies facilitate recruitment of volunteers and companies contribute talent as part of their own corporate volunteering programmes.

## G. Country-level cooperation

28. In **Azerbaijan**, a partnership between the Ministry of Health, WHO, the Italian oil company ENI, UNICEF, Médecins sans Frontières, the International Federation of Red Cross and Red Crescent Societies and other United Nations entities, brokered as part of the Roll Back Malaria initiative, has been instrumental in helping the country to deal with the resurgence of malaria.

29. In **Bangladesh**, the International Labour Organization and UNICEF worked with the Government, the Bangladesh Garment Manufacturers and Exporters Association, the International Organisation of Employers and non-governmental organizations on a programme to tackle child labour. The number of factories using child labour decreased from 43 per cent in 1995 to 5 per cent in June 2000 and the initiative has established a platform for ongoing stakeholder dialogue to address other issues such as occupational health and safety.

30. In **Chile**, **Poland** and **Thailand**, the United Nations is acting as a catalyst in dialogue with domestic and foreign business leaders to raise understanding and good practices on corporate responsibility and the role of business in development. This is being achieved through dialogues and activities on development issues, ranging from HIV/AIDS, youth development and the environment to the overall role of business in society.

31. In **China**, UNDP is working with local business associations and companies to help create an enabling framework for profitable and responsible private enterprise. Three examples of recent initiatives are a briefing workshop on China's labour laws, with the China Association for Labour Studies, a Chinese non-governmental organization; an international conference on modern logistics and electronic commerce; and education for business people on compliance with intellectual property rights.

32. In **Egypt**, UNDP is working with the Governorate of Sharkeya, the Chamber of Commerce and UNV to establish technology access community centres. These are training civil society groups, the private sector, low income groups and individuals about information access, ranging from long-distance education and telemedicine to electronic commerce and are serving as hubs for the creation of electronic content in Arabic.

33. In **India**, the United Nations Industrial Development Organization (UNIDO) has worked with the Government, the Automotive Component Manufacturer's Association of India, the Italian company FIAT, the Automotive Research Association of India, the European business school INSEAD and the Prince of Wales International Business Leaders Forum. The aim has been to enhance the competitiveness and global economic integration of the small and medium-sized enterprises in the auto-components sector and to improve their social and environmental performance. It is now being extended geographically over the southern region of India and attracting new partners. Lessons are being shared with other countries, with similar initiatives under way in **Nigeria** and **Latin America**.

34. In **Kazakhstan**, UNDP and UNV are working with Citigroup and Chevron to promote the development of small enterprises through the establishment of a microcredit scheme for non-collateral group guarantee loans and a small business

development centre to offer advisory services. The two companies are also supporting an awareness-raising programme for young people on human rights.

35. In **Malawi**, **Mozambique** and **Zambia**, UNDP has embarked on a partnership known as the Zambia-Malawi-Mozambique Growth Triangle project. Inspired by successful South-East Asian experiences, the initiative is intended to provide an enabling framework within which the private sector will contribute more effectively to smallholder incomes, employment creation, sustainable livelihoods and poverty reduction. It is hoped that it will also support regional integration and cross-border cooperation. A Private Sector Forum has been established to guide the implementation of the Growth Triangle concept and the three Governments have signed a letter of intent endorsing implementation.

36. In **Mali**, the International Fund for Agricultural Development worked with Syngenta and the Syngenta Foundation for Sustainable Agriculture to establish a farmer-based distribution network to improve the timeliness and affordability of accessing seed treatment packages. Initial assessment of the programme estimates that as a result of the project crop yields are expected to increase by 30 per cent.

37. In the **Philippines**, UNDP has initiated the Private Sector Participation in Managing the Environment (PRIME) project and is working with Philippine Business for the Environment, a business association, on a programme to mainstream Agenda 21 into business operations, especially in domestic Philippine companies.

38. In **Tajikistan**, UNOPS is working with the Ulysses leadership development programme of PricewaterhouseCoopers on a joint initiative to transfer management and business knowledge for development. A team of volunteers from PricewaterhouseCoopers is working with United Nations staff to formulate strategies, action plans and training activities in support of projects such as locally managed credit schemes and development of small and medium-sized enterprises.

39. In **Venezuela**, UNDP is working with Amnesty International and Statoil to give every judge and public defender an improved understanding and knowledge of human rights related laws, regulations and issues. Lessons from this cooperative initiative have been shared with other countries to encourage replication.

## H. Building partnership capacity in developing countries

### 1. Empretec

40. The Empretec programme was established in 1988 to assist small and medium-sized enterprises in developing and transition economies to grow, internationalize and form successful joint ventures and other business linkages with transnational corporations. The programme focuses on identifying promising entrepreneurs and providing them with training, advisory and management consultancy services, networking and introductions to potential business partners, including national and foreign companies. Coordinated by UNCTAD, the programme has been delivered through a variety of global and national alliances with other United Nations entities, most notably UNDP, development banks, donor and host Governments, private sector companies (including over 100 multinationals), local business associations, banks and non-governmental organizations. Since 1988 Empretec has become operational in 14 countries of Latin America and Africa, assisting more than 20,000 entrepreneurs through 30 market-driven local Empretec centers. New projects are being initiated in a further 7 countries and the UNDP Africa Bureau has used the Empretec model as the basis for its Enterprise Africa initiative, which was launched in 1997 and is operating in 20 countries. Women constitute 35-40 per cent of the direct beneficiaries of the programme. A key element of the programme's success has been engaging local business associations and building their capacity to support medium- and small-sized enterprises.

### 2. Cleaner production centres

41. In 1989, the Technology, Industry and Economics Division of UNEP established the Cleaner Production programme to increase global awareness and implementation of cleaner production processes. UNEP has worked in partnership with UNIDO, Governments and business associations to establish national cleaner production centres in more than 20 countries and to develop a global learning network of these and other independent centres. There are now over 150 centres, working groups and activities in 65 countries and international organizations.

### 3. Awareness and Preparedness for Emergencies at Local Level

42. Awareness and Preparedness for Emergencies at Local Level is a UNEP programme for disaster and emergency prevention, preparedness and response planning. The objective of the programme is to develop efficient and integrated emergency response strategies and capabilities in partnership with local authorities, industries and representatives of the community in vulnerable industrialized communities. Hazardous oil and chemical installations, mining activities and transportation of dangerous goods are among the main risks to be taken into account for emergency preparedness. The programme has been implemented with local partners in more than 30 countries and 100 communities around the world.

### 4. Cities Alliance

43. This is a global coalition of cities and their development partners initiated in 1999 by the United Nations Centre for Human Settlements (Habitat) and the World Bank, the International Union of Local Authorities, local authorities and bilateral agencies. It focuses firstly on helping cities to design and implement urban development strategies that reflect a shared vision for the future, based on a participatory consultation process that includes the urban poor and the private sector, and that identify local priorities for decreasing urban poverty and ensuring sustainable urban development. Secondly, it supports city-wide and national programmes aimed at upgrading slums and thus improving the lives of at least 100 million slum dwellers by 2020.

### 5. Local Agenda 21

44. Habitat and UNEP have worked closely with the International Council for Local Environmental Initiatives and a variety of non-governmental organizations, local authority and business partners to implement Agenda 21 at the local community level. International Council for Local Environmental Initiatives is composed of more than 350 local governments and their associations, representing nearly 300 million people worldwide. Since 1992, more than 2,000 communities in 73 countries have established planning processes to draw up their own Local Agenda 21. While addressing environmental problems, such initiatives are also alleviating poverty, creating employment opportunities, empowering local stakeholders and supporting national decentralization efforts.

### 6. Global Initiative for Oil Spill Preparedness and Response

45. The International Petroleum Industry Environmental Conservation Association is working with the International Maritime Organization, Governments, local industry, donor agencies and non-governmental organizations in the Mediterranean, Caribbean, Caspian and Black Seas and in Africa. The goal is to build institutions and capacity to ensure effective preventative measures and contingency planning for regional and national responses to oil spills. The International Maritime Organization handles the intergovernmental liaison and the International Petroleum Industry Environmental Conservation Association facilitates industry involvement to develop a focused, locally driven work plan.

## I. Partnerships to address global health issues

### 1. Global Polio Eradication Initiative

46. The Global Polio Eradication Initiative is one of the longest-running global multi-stakeholder partnerships in the United Nations system. It was launched in 1988 by the core partners WHO, UNICEF, Rotary International (a humanitarian service organization composed of 1.2 million business and professional leaders in over 29,000 Rotary Clubs in 163 countries) and the United States Centers for Disease Control and Prevention. More recently, the United Nations Foundation, the Bill and Melinda Gates Foundation and the World Bank have joined the effort. Polio-endemic countries, companies, non-governmental organizations and celebrities have played a key role in specific countries or elements of the programme, ranging from financial and in-kind product donations, expertise and logistical support to "combination" support to immunization programmes in Africa from a major mining company. Rotary International has participated in the initiative through the vehicle of its own global PolioPlus programme. By the end of 2005, Rotary's financial commitment will be approximately $500 million, plus the mobilization of more than one million Rotary members and thousands of other volunteers.

### 2. Roll Back Malaria

47. Roll Back Malaria was launched in 1998 by WHO, the World Bank, UNICEF and UNDP as a collaborative global effort to tackle malaria. Partners who share common goals and objectives include Governments, development agencies, academic and research groups and the private sector. Roll Back Malaria aims to halve malaria mortality by 2010 by scaling up a range of effective malaria control interventions. Twenty malaria-endemic countries in Africa have developed strong multi-sector malaria control plans. Insecticide-treated nets and easy access to effective treatment are already reaching an increasing number of people affected by malaria in Africa.

### 3. Medicines for Malaria Venture

48. The Medicines for Malaria Venture was established as an independent not-for-profit entity to support a collaborative effort to discover and develop new accessible and affordable anti-malarial drugs. Partners include WHO/Special Programme for Research and Training in Tropical Diseases, WHO/Roll Back Malaria, the International Federation of Pharmaceutical Manufacturers Associations, the Global Forum for Health Research, the Rockefeller Foundation, the World Bank, the development agencies of the Netherlands, Switzerland and the United Kingdom, research-based pharmaceutical companies and academia.

### 4. Global Alliance to Eliminate Leprosy

49. Core members of the Global Alliance to Eliminate Leprosy include WHO, Governments of leprosy-endemic countries, the International Federation of Anti-Leprosy Associations, the Nippon Foundation, the Sasakawa Memorial Health Foundation and Novartis, working closely with the World Bank and Danish International Development Assistance. The aim is to detect and cure the estimated 2.5 million leprosy sufferers by the end of 2005. The partners are providing a combination of funding, medication donations, technical and strategic leadership and guidance and monitoring of field operations.

### 5. Stop TB Initiative

50. The Stop TB Initiative is a global movement aimed at ensuring that every tuberculosis patient has access to effective diagnoses, treatment and care, protecting vulnerable populations from the disease and reducing the social and economic toll that it exerts on families, communities and nations. The supporting structure of the Initiative consists of working groups, a forum of global partners, a coordinating board, a partnership secretariat, a global tuberculosis drug facility and a WHO technical advisory group. The initiative has over 75 partners, which include 22 countries with high rates of tuberculosis, United Nations entities, bilateral donors, corporate and independent foundations, health and development non-governmental organizations, professional bodies and business associations.

### 6. Special Programme for Research and Training in Tropical Diseases

51. The Special Programme for Research and Training in Tropical Diseases is a global initiative for scientific collaboration between UNDP, WHO, the World Bank, research institutions, Governments, non-governmental organizations and the health-care industry. Since its creation in 1975, the Programme has supported some 8,800 projects involving 6,800 scientists in 129 countries. Over 200 developing country institutions have received capacity-building and institution-strengthening support. Initiatives supported by the Programme with other partners, including individual pharmaceutical companies, have resulted in leprosy, onchocerciasis, Chagas disease and lymphatic filariasis moving towards being eliminated as public health problems.

### 7. International Partnership against AIDS in Africa

52. The International Partnership against AIDS in Africa is a coalition of African Governments, the United Nations, donors and the private and community sectors. In 2000 all the partners contributed to a Framework for Action, committing themselves to roles, responsibilities, targets and regular review of progress in the following areas: mobilizing political commitment and action; mobilizing financial resources; improving communication and collaboration; and strengthening capacity and intensifying action at the country level.

## J. Partnerships to address global environmental issues

### 1. Global Environment Facility

53. The Global Environment Facility offers an example of an innovative institutional mechanism that has facilitated inter-agency cooperation and a network of hundreds of consultations and partnerships with donor and recipient Governments, development banks, the scientific and technical community, non-governmental organizations and the private sector. Established in 1991 as an experimental financial facility, the Global Environment Facility was restructured after the United Nations Conference for Environment and Development in 1992 to make it more strategic, effective, transparent and participatory. Its mission is to facilitate international cooperation and to finance practical actions in the following areas: biodiversity; atmosphere, focusing on climate change and ozone depletion; international waters, both the marine environment and freshwater resources; and land degradation. The Facility is supporting over 650 projects in more than 150 developing and transition economies. UNDP, UNEP and the World Bank serve as implementing agencies, each focusing on areas of core competency, supported by regional development banks, FAO and UNIDO and bilateral aid agencies. More than 150 projects financed by the Facility are executed or co-executed by non-governmental organizations and small grants have been made to more than 1,200 non-governmental organization projects. The private sector participates in many projects in a variety of capacities.

### 2. Prototype Carbon Fund

54. At the special session of the General Assembly in June 1997, the President of the World Bank announced the possibility of launching a carbon fund, should parties to the United Nations Framework Convention on Climate Change be favourably disposed towards such an initiative. The Prototype Carbon Fund was established in 1999, as a public-private partnership supported by Governments and the private sector. The Prototype Carbon Fund is designed as a pilot activity with limited capitalization and is scheduled to terminate in 2012. It has three strategic objectives:

(a) To show how project-based emission-reduction transactions can promote and contribute to sustainable development;

(b) To learn by doing and develop a knowledge base of processes and practices that facilitate climate-friendly investment;

(c) To demonstrate how insights and experience from both the public and private sector can be pooled to mobilize additional resources for sustainable development and to address global environmental concerns.

Contributions to the Fund from companies and Governments are used to support projects designed to produce reductions in emissions. Contributors to the Fund receive a pro rata share of emission reductions, verified and certified in accordance with carbon purchase agreements reached with the respective countries hosting the projects. Extensive stakeholder consultations are carried out on a formal and informal basis. The participants' committee is drawn from the companies and Governments that contribute to the Fund and the host country committee consists of over 30 host countries. There is also a technical advisory group and ongoing efforts to engage non-governmental organizations and research institutes from both the North and the South. Analyses, independent opinions and contracts that underpin the process are made public, along with lessons learned.

### 3. Energy Sector Management Assistance Programme

55. This is a global technical assistance programme, under the joint sponsorship of the World Bank and UNDP, designed to help build consensus and provide policy advice on sustainable energy development to Governments of developing countries and countries with economies in transition. Since its creation in 1983, the Energy Sector Management Assistance Programme has evolved to meet changing needs. It now focuses on the role of energy in poverty reduction and economic development. It works in partnership with and receives funding from private corporations and business associations, as well as Governments. It has operated in some 100 countries, covering issues such as energy sector policy and restructuring, linkages between energy and the environment, promoting access to energy for rural and peri-urban populations, mainstreaming renewable energy, encouraging more energy efficiency and facilitating international energy trade. The Programme engages with energy companies in donor and recipient countries. It is governed by a consultative group, consisting of public and private

donors and energy and development experts from regions receiving assistance, and is supported by a technical advisory group of independent experts.

### 4. Clean Air Initiative

56. The emission of gases contributing to global climate change is on the rise in many cities and poor air quality also causes billions of dollars in medical costs and lost productivity each year. The mission of the Clean Air Initiative, launched in 1998, is to improve air quality in cities around the world by bringing together the efforts of leaders in the public and private sectors, the non-governmental organization community, research and academic institutions, government agencies and international institutions. It has three main goals:

(a) To promote the integrated development or enhancement of city-wide clean air action plans, building on the participation of all relevant stakeholders;

(b) To exchange knowledge and experience among all partners;

(c) To foster public participation and the active involvement of the private sector in supporting innovations in the use of low-emission, low-carbon technologies.

The World Bank, WHO, the Pan American Health Organization, bilateral donors, other development agencies, local authorities and private sector companies have made financial and in-kind contributions to the Initiative and a multi-stakeholder steering committee serves as a governing body. Focused initially on Latin American cities, the Clean Air Initiative has expanded to Asia, Europe, Central Asia and sub-Saharan Africa, and now has 20 partner cities worldwide.

# Annex III

## Guidelines for cooperation between the United Nations and the business community

## I. Background

1. The business community has played an active role in the United Nations since its inception in 1945. A number of United Nations entities have a successful history of cooperating with business. Recent political and economic changes have fostered and intensified the search for collaborative arrangements.

2. The efforts of the Secretary-General to renew and reform the United Nations provide the overall rationale for closer cooperation and partnership between the United Nations and non-state actors, including the business community.[a] A broad policy framework for cooperation with the business community has been established, including through joint statements.[b]

3. The relationship with the business community has become more important as the role of business in generating employment and wealth through trade, investment and finance has grown and as United Nations Member States have increasingly stressed the importance of private investment in development.

4. The business community is increasingly appreciative of the role of the United Nations: promoting peace and security, providing norms and standards in such diverse areas as trade laws, shipping, aviation, telecommunications, postal services and statistics, and addressing issues of vulnerability, poverty, environmental degradation and social conflict. All of this is seen as helping provide a stable and favourable framework for business and development.

## II. Purpose and rationale

5. Efforts to work with the business community must be seen in the proper institutional context. The United Nations is a global institution accountable to its Member States. Non-state actors play an important role in the pursuit of United Nations goals. Drawing on the expertise and capacities of the business community is increasingly necessary to achieve those goals.

6. The purpose of these guidelines is to facilitate the formulation and implementation of cooperation between the United Nations and the business community in a manner that ensures the integrity and independence of the Organization.

7. These guidelines define "business" as for-profit enterprises.

8. These guidelines are intended to serve as a common framework for all entities of the United Nations Secretariat.[c] It may also serve as a framework for other bodies of the United Nations system.

9. United Nations entities are encouraged to develop more specific guidelines in accordance with their particular mandates and activities.

10. Cooperation with business can take many forms, such as advocacy, fund-raising, policy dialogue, humanitarian assistance and development cooperation. Guidelines for cooperation are particularly relevant in cases where new forms of partnership are being pursued that do not directly involve active government participation.

11. Cooperation is often situation-specific and must be considered on a case-by-case basis. It is essential that each United Nations entity develop in-house capacity and clear lines of responsibility to devise, implement and evaluate cooperative arrangements with business.

## III. Choosing a partner

12. The Global Compact, launched by the Secretary-General in 1999,[d] provides an overall value framework for cooperation with the business community. The principles of the compact (see appendix I) are based on intergovernmental agreements and at the same time are relevant for business. United Nations entities should use them as a point of reference when choosing a business partner:

(a) Business partners should demonstrate responsible citizenship by supporting United Nations causes and core values as reflected in the Charter and other relevant conventions and treaties;

(b) Within their sphere of influence, private enterprises should have demonstrated a commitment to meeting or exceeding the principles of the Compact by translating them into operational corporate practice;

(c) Business entities that are complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour,[e] are involved in the sale or manufacture of anti-personnel mines or their components or otherwise do not meet relevant obligations or responsibilities stipulated by the United Nations are not eligible for partnership.

13. United Nations entities are encouraged to develop additional criteria appropriate to their specific mission and advocacy role.

## IV. General principles

14. Irrespective of the situation-specific nature of cooperative arrangements, such arrangements should be guided by the following general principles:

(a) *Advancement of United Nations goals*. The objective needs to be articulated clearly and must advance United Nations goals as set forth in the Charter;

(b) *Clear delineation of responsibilities and roles*. The arrangement must be based on a clear understanding of respective roles and expectations, with accountability and a clear division of responsibilities;

(c) *Maintenance of integrity and independence*. Arrangements should not diminish the United Nations integrity, independence and impartiality;

(d) *No unfair advantage*. Every member of the business community should have the opportunity to propose cooperative arrangements, within the parameters of these guidelines. Cooperation should not imply endorsement or preference of a particular business entity or its products or services;

(e) *Transparency*. Cooperation with the business community sector must be transparent. Information on the nature and scope of cooperative arrangements should be available within the Organization and to the public at large. United Nations entities should post relevant information on the United Nations Business web site at http://www.un.org/partners/business

## V. Use of the United Nations name and emblem

15. Pursuant to General Assembly resolution 92 (I) of 7 December 1946, the use of the United Nations name and emblem is limited to official purposes. The Organization has consistently interpreted the resolution to apply also to the use of the name and emblem of the United Nations funds and programmes whose names include the words "United Nations" or its acronym (see appendix II for examples).

16. Recognizing the evolving new relationships with the business community, the following are general principles on the use of the name and emblem of the United Nations and its funds and programmes ("name and emblem") by the business community in the context of partnerships with the private sector:

(a) In principle, and subject to the appropriate terms and conditions, a business entity may be authorized to use the name and emblem on a non-exclusive basis;

(b) The use of the name and emblem must be expressly approved in advance in writing and upon such terms and conditions as may be specified;

(c) The use of the name and emblem by a business entity may be authorized, even if it involves the making of profit, as long as the principal purpose of such use is to show support for the purposes and activities of the United Nations, including the raising of funds for the Organization, and the generation of profit by the business entity is only incidental;

(d) The use of the name and emblem may be authorized for the following purposes:

(i) To support the purposes, policies and activities of the Organization;

(ii) To assist in the raising of funds for the Organization;

(iii) To assist in the raising of funds for entities that are not part of the Organization, but are established to achieve the purposes and policies of the Organization;[f]

(e) When authorized, the use of the name and/or emblem shall be in accordance with the written specifications provided by the United Nations entity concerned;

(f) With appropriate written approval and subject to appropriate conditions on the time, manner and scope of such use, the use of a modified United Nations emblem may be exclusively authorized to a limited number of business entities in connection with the promotion of a special event or initiative, including fund-raising for such an event or initiative.[g]

17. Currently, the Office of Legal Affairs grants authorization for the use of the name and emblem of the United Nations.

## VI. Modalities

18. Modalities for entering into partnerships with the business community, which are distinct from procurement activities, require flexibility in order to reflect the particular purposes and objectives of the partnerships:

(a) *Direct contribution by the business partner.* The modality for direct contribution for specific purposes would be established under a trust fund or special account agreement with the partner. The agreement would be subject to the applicable financial regulations and rules, that is, the purposes of the contribution would have to be consistent with the policies, aims and activities of the United Nations and, generally, the contribution would not entail any financial liabilities to the United Nations;

(b) *Indirect contribution by the business partner through the establishment of a charitable organization or foundation.* Under this modality, a relationship agreement would be established between the United Nations and the charitable organization or foundation, laying out the terms of the relationship, including the issues related to the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the United Nations;[h]

(c) *Partnership in technical assistance projects.* This modality would involve either two direct bilateral agreements with the business partner and with the Government of the country in which the assistance would be provided, or a tripartite agreement among the business partner, the United Nations and the Government;

(d) *Partnership in promoting the purposes and activities of the United Nations.* This modality, whereby the business partner would provide a forum to disseminate information about the United Nations, would involve direct agreements with the business partner, setting out the terms and conditions of the arrangement, including the United Nations control of the information to be disseminated, the issues related to the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the United Nations;

(e) *Partnership in cooperative projects.* This modality, whereby the United Nations and a business partner would jointly develop a product or service, consistent with and in furtherance of the aims, policies and activities of the United Nations, would involve agreements with the business partner, setting out the terms and conditions of the arrangement, including the contributions each party could make to the development of the product service, the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the United Nations.

## VII. Institutional capacities

19. Cooperative arrangements with the business community have often evolved on an ad hoc basis. United Nations entities should develop further the policy frameworks and institutional capacities needed to manage such arrangements successfully:

(a) *Building institutional competencies.* United Nations entities that engage business in their work should develop the necessary competencies to assess and guide the relationship properly. Within each entity, a focal point should be nominated to ensure transparency, learning and a better understanding of the role and objectives of business and to ascertain whether they are compatible with the goals of the United Nations;

(b) *Responsibilities of focal points.* Focal points will be responsible for developing guidance on contacts with the business community based on rules, regulations and administrative issuances of the United Nations to ensure transparency in the establishment and maintenance of contacts with the business community. The focal points should post relevant information on the United Nations/Business web site http://www.un.org/partners/business

(c) *Exchange of experience.* Focal points should exchange learning experiences on a regular

basis and aim at building shared data banks and problem-solving methodologies and guides.

## VIII. Future reviews

20. Cooperation with the business community is influenced by changes in the political and economic environment. To remain valid, these guidelines should be critically reviewed at regular intervals and updated in due course.

*Notes*

[a] See Action 17 of the report of the Secretary-General, "Renewing the United Nations: A Programme for Reform" (A/51/950).

[b] Joint statements between the Secretary-General and business representatives of the International Chamber of Commerce as well as major speeches by the Secretary-General and heads of United Nations organizations are posted on the United Nations Business web site: http://www.un.org/partners/ business

[c] United Nations Secretariat and United Nations funds and programmes, including the United Nations Children's Fund, the United Nations Population Fund, the United Nations Development Programme, the United Nations Environment Programme and the United Nations Conference on Trade and Development, and the regional commissions.

[d] See http://www.unglobalcompact.org

[e] As defined by the International Labour Organization Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

[f] For example, those entities include United Nations associations, national committees for the United Nations Children's Fund and for the United Nations Development Programme.

[g] For example, the fiftieth anniversary of the United Nations or the International Year of Older Persons.

[h] The relationship agreement between the United Nations and the United Nations Foundation, Inc., of 12 June 1998 consists of the following provisions: "Purpose" (art. I); "Trust fund" (art. II); "Identification of projects and activities to be funded" (art. III); "Contributions by the Foundation" (art. IV); "Monitoring and implementation: reporting requirements" (art. V); "Fund-raising" (art. VI); "Use of name and official emblem of the United Nations" (art. VII); "Status of parties" (art. VIII); "Review of arrangements" (art. IX); "Resolution of disputes" (art. X); "Privileges and immunities" (art. XI); "Terms of agreement" (art. XII); and "Notices" (art. XIII).

# Appendix I

## The nine principles of the Global Compact

At the World Economic Forum in Davos, Switzerland, on 31 January 1999, the Secretary-General challenged world business leaders to embrace and enact a set of universal principles within their sphere of influence in the areas of human rights, labour standards and the environment:

**Human rights**

*Principle 1.* Business should support and respect the protection of internationally proclaimed human rights.

*Principle 2.* Business should make sure not to be complicit in human rights abuses.

**Labour standards**

*Principle 3.* Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

*Principle 4.* the elimination of all forms of forced and compulsory labour;

*Principle 5.* the effective abolition of child labour; and

*Principle 6.* the elimination of discrimination in respect of employment and occupation.

**Environment**

*Principle 7.* Business should support a precautionary approach to environmental challenges;

*Principle 8.* undertake initiatives to promote greater environmental responsibility; and

*Principle 9.* encourage the development and diffusion of environmentally friendly technologies.

# Appendix II

## Explanatory background note on the use of the United Nations name and emblem

### Use of the United Nations name and emblem (sect. V)

1. The general principles set forth in section V of the draft guidelines on cooperation between the United Nations and the business community are based upon the submissions made to the Working Group on Partnerships with the Private Sector by the Office of Legal Affairs and other United Nations offices, including the separate funds and programmes represented in the Working Group, and the discussions in the Working Group on the issue. As indicated in the Legal Counsel's memorandum of 4 December 1997 to the Secretary-General with an accompanying note to the file, the starting point for the policy and practice of the Organization on the use of the United Nations name and emblem is General Assembly resolution 92 (I) of 7 December 1946. While the practice of the Organization over the years is the major focus, particular attention has also been paid to recent policy and practice in the area and the interests and concerns expressed by the offices participating in the Working Group.

2. The following should be noted with respect to the guiding principles set forth in section V:

(a) The guiding principles address only the use of the name and emblem by business entities. Their use by non-governmental organizations and private not-for-profit entities is, therefore, not addressed, although it would appear that similar principles would be applicable to such organizations and entities;

(b) With respect to the general principle set forth in paragraph 16 (a) of the guidelines, it should be noted that it has been a long-standing policy of the Secretary-General not to authorize the use of the United Nations emblem by non-United Nations entities in an unmodified form. Moreover, as far as is known, no business entities have ever been authorized to use the United Nations emblem with the words "United Nations" or "UN" set above the emblem and the words "We Believe" or "Our Hope for Mankind" set below the emblem;

(c) At present, the Office of Legal Affairs grants authorization of the use of the name and emblem of the United Nations. The issue as to which office or department will be vested with the authority to grant the use of the name and emblem in the future will be reviewed in due course;

(d) The principle of non-exclusive use refers to the activities of a business entity on its own behalf and not in situations in which the entity is engaged by the Organization to act on its behalf, for example, a United Nations Gift Shop contract (see the general principle in para. 16 (a)). Moreover, the principle of non-exclusive use would not prevent an office from authorizing only one entity the use of the emblem in all cases, for example, if there was only one company that requested such authorization or in connection with a pilot programme;

(e) "Commercial use" of the name and emblem should be distinguished from "use by a commercial entity" (see the general principle in para. 16 (c)). The former implies use in connection with or for furtherance of a profit-making enterprise. The latter would allow the use of the name and emblem by a commercial entity even involving the making of some profit, as long as the principal purpose of such use was to show support for the purposes and activities of the United Nations, including the raising of funds for the Organization, and the generation of profit by the commercial entity was only incidental;

(f) The modified United Nations emblem in the general principle set forth in paragraph 16 (f) refers to emblems developed for special events and does not refer to the United Nations emblem modified by placing the words "United Nations" on the top and "We support" or "We believe" on the bottom, which is generally reserved for non-governmental organizations.

(g) As it is drafted, the word "exclusively" used in the general principle set forth in paragraph 16 (f) is intended to include more than one business entity. In the case of the fiftieth anniversary of the United Nations, for example, several (but a limited number of) business entities were authorized to use the "UN 50th" emblem in connection with fund-raising for the fiftieth

anniversary. It should be recognized, however, that there may be situations in which only one business entity may, in fact, be authorized to use a modified United Nations emblem, for example, when only one business entity expresses an interest in using the emblem in relation to some initiative or because the United Nations substantive office wishes to limit authorization to only a few or possibly one business entity in a pilot programme.

## Modalities (sect. VI)

3. The modality described in paragraph 18 (b) of section VI of the guidelines would appear to be the preferred method in Member States, including the United States of America, whereby donors do not enjoy tax deduction in respect of their direct contributions to the United Nations.

4. An example of that modality is the relationship agreement between the United Nations and the United Nations Foundation, Inc., of 12 June 1998. That agreement contains the following provisions: "Purpose" (art. I); "Trust fund" (art. II); "Identification of projects and activities to be funded" (art. III); "Contributions by the Foundation" (art. IV); "Monitoring and implementation: reporting requirements" (art. V); "Fund-raising" (art. VI); "Use of name and official emblem of the United Nations" (art. VII); "Status of parties" (art. VIII); "Review of arrangements" (art. IX); "Resolution of disputes" (art. X); "Privileges and immunities" (art. XI); "Terms of agreement" (art. XII); and "Notices" (art. XIII).

5. Other examples of the modality are the United Nations Foundation, Inc., through which Ted Turner made his contribution; the Netaid Foundation UK Ltd., through which Cisco Systems made its contribution to UNDP; the Foundation for the United Nations fiftieth anniversary through which, inter alia, Goldstar (South Korea) and Swatch (Switzerland) channelled their contributions to the United Nations.

6. An example of the modality described in paragraph 18 (c) of the guidelines is the build-operate-transfer (BOT) project, whereby the private sector provides funds and experts for the project, the United Nations serves as a matchmaker between the Government and the business partner and facilitates project implementation and the Government provides necessary assistance and is the ultimate beneficiary of the project.

7. An example of the modality described in paragraph 18 (d) is the agreement between the United Nations and Walt Disney Worldco of 6 August 1999 concerning the United Nations participation in the Walt Disney World Millennium Celebration. That agreement consists of the following provisions: "Term of the agreement" (art. 1); "Display of CD-ROMS (the UN CD)" (art. 2); "UN's participation" (art. 3); "UN input/costs" (art. 4); "Operation of the attraction" (art. 5); "Officials not to benefit" (art. 6); "Training of staff" (art. 7); "International communicators" (art. 8); "Insurance and liabilities to third parties" (art. 9); "Copyright, patents and other proprietary rights" (art. 10); "Use of name, emblem or official seal of the United Nations" (art. 11); "Use of names or emblems of Worldco" (art. 12); "Admission to the resort" (art. 13); "Settlement of disputes" (art. 14); "Privileges and immunities" (art. 15); "Notice" (art. 16); "Authority to modify" (art. 17); "United Nations merchandise" (art. 18) and "Miscellaneous" (art. 19, including a provision on "Indemnification" (art. 9, para. 6).

8. An example of the modality described in paragraph (e) is the United Nations Standard Product and Services Code, a universal classification system for goods and services, which was developed jointly by the United Nations Development Programme/Inter-Agency Procurement Services Office and Dun and Bradstreet for the Netaid project, which is designed to bring together the power of the Internet, the global reach of television and radio and the energy and impact of world-renowned artists in the fight against world poverty, established by the United Nations Development Programme, Cisco Systems, Netaid Inc., the Netaid Foundation UK Ltd. and Netaid UK Ltd.